

The NATIONAL UNDERWRITER

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that nobody
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In the Arabian desert, an American construction company sent out a task force to prospect for water.

They sank seven dry holes with their steel drills – but the eighth brought unforeseen results.

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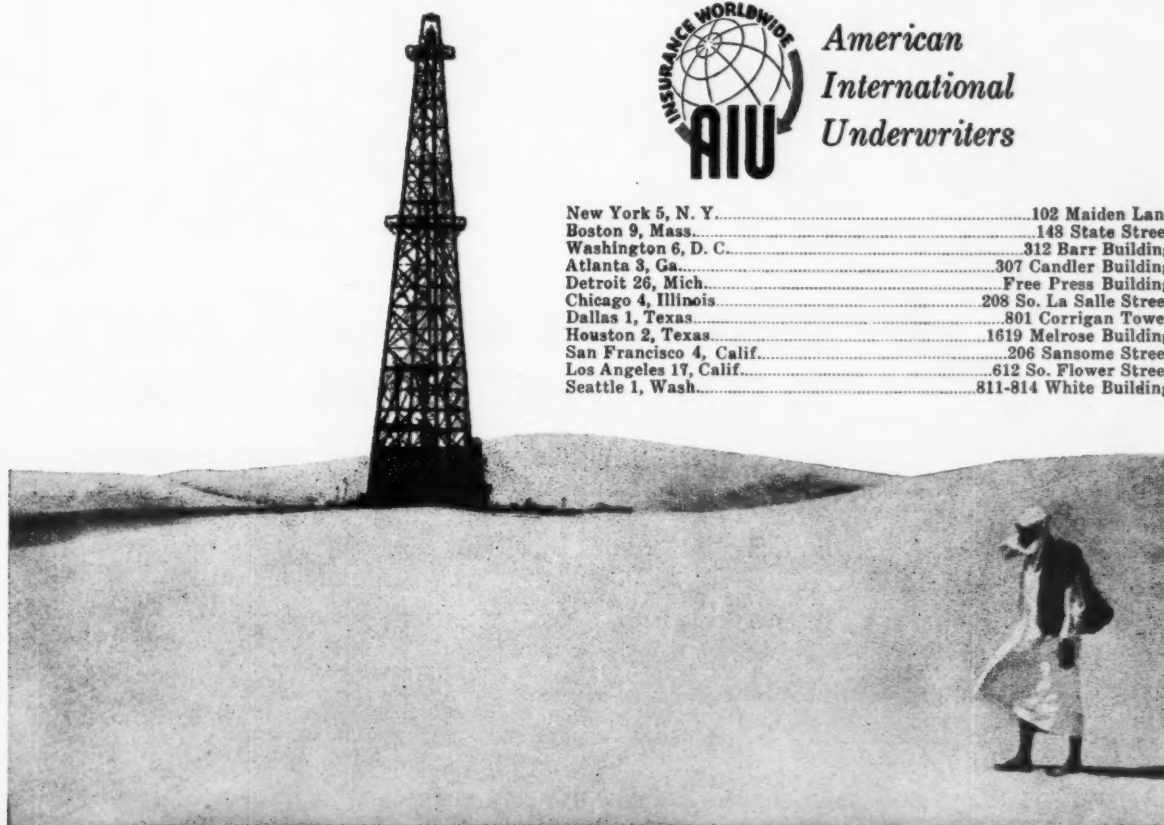
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THURSDAY, AUGUST 27, 1953

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**INLAND MARINE MEANS GOOD BUSINESS
ON EVERY STREET IN YOUR COMMUNITY!**

Be sure and call on your Travelers Field Man to help
you get started.

Protection through The Travelers means increased
earnings for you.

THE TRAVELERS INSURANCE COMPANIES • HARTFORD 15, CONNECTICUT

Vote on Refined Auto Class Plan at National Bureau

Proposal Suggests More Study of Merit Rating to Be Superimposed

NEW YORK—National Bureau of Casualty Underwriters was scheduled to hold a general meeting here Wednesday to vote on a refinement in classification plan for automobile BI and PDL, based on distance driven to work. The proposal was to settle for this much and go ahead, then spend a little more time to perfect a merit rating plan later this fall, which would be superimposed on the classification program.

Whether this proposal would get the support needed to put it into practice, a three-fourth vote, was uncertain, but there was limited optimism that the plan would be adopted and that National Bureau would proceed to put it into effect as promptly as possible.

There was indication that organization mutuals would go along with the classification plan. It is said that they are somewhat dissatisfied with the plan they now have in effect in 16 or 17 states which includes a mileage factor and some other points.

It was hoped that other groups of non-bureau insurers might be attracted to the plan if it proves to be attractive and workable. Thus there is some confidence that a considerable uniformity of underwriting plan could be achieved, country over, among the great majority of automobile writers.

The plan up for final vote Wednesday is a refinement of the present classification system, which has three basic classes, 1, 2 and 3. The proposed one would start with 3 as 100, and then have 1A, a private passenger car not driven to and from work at 60% of 3; 1B, one driven up to 10 miles, one way, at 70%; and 1C, one driven more than 10 miles, at 85%. The No. 2 class would continue to be the one including young drivers, but 2A would cover the car belonging to a family with drivers under 25 who are married with a child or who are married with no children but are not the principal operator, at 110% of 3; 2B, married with no children, at 125%, and 2C, unmarried operators or owners under 25, at 150%. There would be 20% off for farmers.

Moore, Case Names Eberle

Marcus H. Eberle has been named manager of the marine department of Moore, Case, Lyman & Hubbard, Chicago. With the department for two years, he was formerly sales representative for a Chicago college textbook publisher. After graduation from Northwestern University's college of business administration, Mr. Eberle received his M.B.A. in insurance from University of Pennsylvania in 1951. He is a navy veteran.

N.A.I.C. Unauthorized Insurers Law Has No Infirmities, U. S. Appeals Court Finds

Unequivocal endorsement of the unauthorized insurers service of process act that was recommended by N.A.I.C. after having been whipped up by the all-industry committee, has just been given by the U. S. fifth court of appeals in the cases of Iowa State Traveling Men's Assn. 1 CCH (Life) 360. The appellate court reversed the southern Florida federal court.

This is the law that specifies that the doing of certain things by an unauthorized insurer from which results the issuance or delivery of a contract of insurance in a state subjects the insurer to service of process in that state. The statute, according to the court of appeals, evidences a valid exercise of a power of government and has a direct relation to that power. It can in no wise offend "traditional notions of fair play and substantial justice." "An unauthorized foreign...insurer" is put on notice by the statute of the consequences of its acts. Such an insurer has no unlimited right to effect and maintain insurance contracts with Florida residents as it alone desires and without regard to a declared public policy, which is reasonable in purpose and effect. The subject matter being enforcement of insurance contracts, received and paid for by its residents, the state legislature was not bound by the incidents and extent of activities which in a different business might be necessary to constitute "doing business" within the state.

As to contracts in which the state is so intimately concerned, it was within the legislative power to provide and establish its own definition of "doing business" by which the issuer of such contracts would be subjected to Florida jurisdiction in suits for enforcement of them. This is not to say, of course, that the Florida legislature can set up an arbitrary or fanciful test of "doing business." It is to say "that the minimum contacts" which the legislature recognized, from which result the creation and continuance in existence of an insurance contract until it becomes a potential claim, are sufficient to authorize subjection to suit upon such contract. And even then, the nature and effects of the statute, and the basis for its constitutional validity, enjoin a con-

struction no broader than necessary to effect the expressed public policy to subject unauthorized insurers to effect and continue insurance contracts delivered in Florida to Florida residents to suits in Florida which assert legal rights under such policies.

Furthermore, as a regulatory law, it plainly can be given no effect which will impose, retroactively, the provisions of the statute upon unauthorized insurers having policies in force prior to the enactment of the statute. These distinctions are not hypothetical, but are substantial, in the proper application of the statute.

The court made that distinction because at the same time in the case of Parmalee vs. Commercial Travelers Mutual Accident, 1 CCH (Life) 363, the court decided that the contract does not come within the terms of the Florida statute. In the Commercial Travelers Mutual Accident case, the insurance certificate was delivered by mail in Kentucky in 1936 to the insured, then a resident of Kentucky, who thereafter in 1946 moved to Florida and there resided until his death in 1951. Service of the complaint was had only upon the Florida commissioner by virtue of the Florida unauthorized insurers process act of 1949. Since this contract was not delivered in Florida to a Florida resident, subsequent to the effective date of the Florida statute, the suit does not come within the provisions of the statute.

Maddox Parmalee was the insured. His wife claimed that he got his policy from Iowa State Traveling Men's in 1950.

Iowa State Traveling Men's got Maddox's name from a lawyers directory and mailed him an application from its Iowa office. Upon its receipt and approval a certificate was mailed to Parmalee from Iowa and received by him in Florida. He remitted a membership fee of \$2 and then received by mail notices of assessment for membership dues and these were paid by issuance of checks. They were mailed to Iowa. After his death proof of death forms were received and were mailed to the insurer and receipt was acknowledged as was a copy of a letter from a Florida

(CONTINUED ON PAGE 23)

General Motors Experience Is Being Assayed Carefully

Underlying Principles of Underwriting Are Open to Question

Although those in a position to speak officially are still mum on whether they think there will be enough salvage in the General Motors hydraulic plant historic loss to reduce the net insurance outlay below the amount of the cover, which is just shy of \$32 million, for practical purposes everyone is calling it a total loss. There was \$28 million on buildings and contents insuring General Motors with a guaranteed amount clause and there was \$3,909,000 builders' risk insuring the contractor under builders' risk form with full reporting clause.

When the insurance was last adjusted several months ago the values were about \$35 million and 80% insurance was carried which established the \$28 million.

G. M. had moved a great number of machine tools from the old plant to the new section of the Livonia town-

REPRINTS ARE AVAILABLE

Due to the request of numerous agents, The National Underwriter is making available reprints of the article on the General Motors fire that appeared in the Aug. 20 edition commencing on page 1, captioned "G. M. Gives Insurers Largest Single Risk Loss in History." This will be on both sides of a sheet 8 1/2 x 11. The price is 60 cents for 10, \$2.50 for 50, \$4 for 100, \$6.50 for 200, \$12 for 500 and \$20 for 1,000.

ship plant and some suppose that the values at the new plant at the time of the fire must have been in the neighborhood of \$50 million. If half of that were in machine tools and there were as much as 40% recovery on these, the loss would still run over the amount of the insurance.

Except for the office and administration section and auxiliary areas such as cafeteria, and detached boiler house, the entire plant was one vast open area. It was 830 feet wide with 1,370,976 feet of floor area. One part was 1200 feet long and another part was 1800 feet long. The roof height was 22 feet. The walls were brick-aproned and light incombustible sash. The floor was concrete, largely surfaced with creosoted wood blocks.

The roof, which many look upon as a principal culprit in this fire, was steel deck covered with built-up surfacing. There was a metal deck, mopped with asphalt, a layer of roofing felt, a layer of celotex or spun glass insulation, mopped with asphalt and then this was repeated for one additional layer beginning with roofing felt. The entire roof was continuous and relatively flat. Less than 15% of the floor

(CONTINUED FROM PAGE 23)

Late News Bulletins . . .

Western Department Changes for Fireman's Fund

Fireman's Fund has announced a number of important organizational changes in the western department.

A. O. Andersen, assistant manager, becomes administrative assistant to E. D. Lawson, vice-president and western manager. Charles N. Mullican, Jr., assistant manager, becomes manager of the fire department, with Charles R. Ford as assistant manager. Charles Martell, assistant manager, has been named manager of the marine department with John S. Perry as assistant manager. Benton A. Sifford, who has been assistant manager in charge of indemnity operations, now becomes manager of the indemnity department.

Loren G. VanZile, superintendent of the hail department, is now manager of that department, and Arthur Jens, agency superintendent, is named manager of the Cook county department.

(Additional Late News on Page 28)

Program for Large Lines Session of NAIA Announced

Dishonesty insurance and large lines underwriting will be featured at the metropolitan and large lines agents conference during the convention of National Assn. of Insurance Agents at Washington, D. C., Sept. 30. Emil L. Lederer of Chicago is chairman of the committee and will preside. A skit entitled "It's 3-D for Me" will cover a typical day in an agency, with emphasis on the sales opportunities presented by dishonesty insurance. Participating will be J. Kenneth Cormack of Providence, Henry A. Franz of Clifton, N. J., and Howard R. Chase, Jr., of Providence.

Arthur M. O'Connell, Cincinnati, chairman N.A.I.A. property insurance committee, will moderate a panel on large lines underwriting at which Fred Doremus, manager Eastern Underwriters Assn., will discuss the single location point of view; K. H. Parker, manager Western Actuarial Bureau, the multiple location point of view, and Roy C. McCullough, manager Empiro, the manufacturers output point of view.

America Fore's "Peace of Mind" film will be shown and National Board's volunteer fire department film, "Train We Must," will have its premiere, followed by four 5-minute TV shorts produced and made available by National Board on "How to Fight a Fire in the Kitchen," "How to Call the Fire Department," "Until the Fire Department Arrives," and "Stupid Carelessness, the Fire Clown."

The educational division will hold a breakfast conference Sept. 29 for local and state association secretaries and managers with Ernest F. Young, Charlotte, N. C., chairman, presiding.

S.C. Agents Slate Cahill and Toale for Convention

Program features are announced for the convention of South Carolina Assn. of Insurance Agents at Francis Marion hotel, Charleston, Sept. 24-25. The association business will be transacted at a session the afternoon of Sept. 24. There will be for the first time an organized convention activity that evening. The next morning an address will be given by Robert Hurligh, who is a well-known news commentator. James M. Cahill, secretary of National Bureau of Casualty Underwriters, will speak on automobile rating problems. That afternoon Eugene A. Toale, representing N.A.I.A. headquarters, will give a talk on "Preparation of Survey Selling." A panel will conduct a discussion on several leading direct writing insurers. The panel consists of Stanford Webb, vice-president of North Carolina Assn. of Insurance Agents, Parks Hunt of Hurt & Quin general agency, Atlanta, and Mr. Cahill with H. Pierce North, South Carolina agents association manager, as moderator.

Hike Ky. Fair Coverage

Although the state of Kentucky some years ago elected to carry its own insurance up to \$200,000 on any one building, the Kentucky state fair board apparently is not under that agreement. J. Dan Baldwin, manager of the state fair grounds at Louisville, has announced that fire insurance on the fairgrounds buildings would be increased by \$137,600 to \$1,106,850, with an annual premium of \$7,085.

Charleston Mayor Gets Feisty

Something of a furor has been stirred up at Charleston, S. C., by reason of the fact that this city is not sharing in the state-wide fire insurance rate reduction. Richard Singleton, manager of South Carolina Rating & Inspection Bureau, in addressing a meeting of Charleston Board of Insurance Underwriters, said this was due to an insufficient water supply and distribution system, too few firemen on duty, no training tower or proper training equipment and inadequate fire alarm system.

Mayor William McG. Morrison later sent a long letter to Charleston Board and asked Insurance Commissioner Murphy to investigate. The mayor's letter was read to the city council and was specifically in answer to a letter from Robert C. Heffron, president of the Charleston local board that Mr. Heffron asked to be read to the council.

The mayor specifically disputed the charges of deficiencies. He said he has requested National Board frequently to furnish him with comparative fire losses in cities equal in size to Charleston, but they have refused to do this; hence the mayor concludes, he said, that Charleston's record must compare very favorably with cities of like size. He said he challenges the rating bureau to publish the premiums and losses in Charleston for the past five years.

He said it has been suggested to him that the probable reason why the bureau "singled out and penalized" Charleston was that the city recently discovered that some of the fire insurance companies had failed and neglected to pay the proper annual business license to the city. He went on to say that the city proceeded to collect more than \$64,000 in delinquent licenses from the companies and "it may be that therein lies the reason for the company-owned and operated South Carolina Rating Bureau to single out and penalize Charleston."

Loss People Take to Air to Relate Wichita Progress

An explanation of the National Board setup in the Wichita loss adjustment situation and a description of adjusting activities as a result of the hail storm there June 21 was presented over radio station KANS at Wichita recently. B. P. L. Carden, assistant general adjuster of the National Board; George Mitchell, Underwriters Salvage special agent; Walter W. Rowse, Wichita manager of Western Adjustment, and C. C. Crow, Jr., manager of Underwriters Adjusting, participated. George J. Gow, news editor of KANS, was moderator.

This was a 15-minute program of the panel variety. Mr. Carden explained how the National Board functions in a catastrophe area, and the adjusting people outlined their operations and told of the results so far. Mr. Mitchell discussed salvage operations, mentioning that there have been 36 salvage cases at Wichita, one of them involving \$115,000.

The storm has produced more than 48,000 E. C. losses, of which about 20% were in the mutuals. Gordon Davis, manager of Mutual Loss Research Bureau, is in charge of the disaster office for his organization.

Richard Willett has joined his brothers, Reginald and Edward V. Willett, in the Willett Agency, Somersworth, N. H., started by their father, Wilfred Willett, more than 50 years ago.

Agents in Stew Over Plans of General

Some of the agency leaders in the state of Washington are hot under the collar because of the plan of General of Seattle to form a new company known as Selective Fire & Automobile, which it is presumed will write insurance at rates competitive with such companies as Allstate and with a reduced rate of commission to agents and with the company handling the bookkeeping and the correspondence with insured. What agents fear is that if such a company gets into effective operation, other company organizations will say that they will have to form a vehicle to do likewise and in short order commissions will have been debased by indirection.

Some of the leaders, it is understood, have conferred with officials of General without getting any satisfaction from their standpoint. There are rumblings that some sort of an action may be brought against General of Seattle by producer groups under the federal anti-trust law. They are exploring the theory that the non-bureau companies on the coast have been discussing among themselves the idea of putting into effect commission reductions and this was a prominent part of the discussions at the meeting of independent companies at Santa Barbara. From there on the theory would be that this move of General would be tantamount to an action in concert because it flowed out of these joint discussions.

Standard Marine Setup on Pacific Coast Completed

Richard J. Lutich, who resigned as marine manager of Swett & Crawford several months ago to establish a branch office for the Standard Marine in San Francisco with jurisdiction over the Pacific Coast, has completed organization of his executive staff. The company will write ocean and inland marine.

R. E. Fazackerly, with 35 years experience, the past seven as assistant to Mr. Lutich with Swett & Crawford, is in charge of ocean marine. John H. Ott, who also served under Mr. Lutich for several years, will handle inland marine. He has been in the business since 1919, starting in New York and going to San Francisco in 1928 with Billings & Co. He was inland marine superintendent for Pacific Marine Insurance Agency 1942-1950 and also served with Fire Association. Manager of the Los Angeles branch office is Roy L. Regelle, formerly of Boston. He will supervise both ocean and inland marine. Rex T. Watkins will be in charge of the Seattle branch.

Agricultural Reports

Agricultural has issued its midyear statement showing assets of \$32,266,380, premium reserve \$14,081,924, an increase of \$478,955; capital \$4 million, net surplus \$8,871,649 and reserve for securities fluctuation \$1,090,980. Premiums written were \$7,328,051, premiums earned \$6,849,096, losses incurred \$3,345,484, gain from underwriting \$123,927. There was net unrealized capital loss of \$778,695. During the first six months there was \$1 million capital paid in and \$1,869,675 paid into surplus so that there was an increase in policyholders surplus of \$2,087,728.

Albright College Courses

Albright College at Reading, Pa., is offering courses in preparation for C.P.C.U. examinations. These will be taught principally by members of Middle Atlantic C.P.C.U. chapter. Classes will commence Sept. 28.

Ga. Agents Seek to Deflate Claims for Captive Insurer

Associated Industries
Prospectus for W. C.

Concern Called Optimistic

Georgia Assn. of Insurance Agents has gotten out a statement that is aimed at dimming enthusiasm of members of Associated Industries of Georgia for the A.I.G. program to set up a captive workmen's compensation insurer. A.I.G. has solicited subscriptions to stock in such a company and claims that there will be premium reductions "conservatively estimated as approximately 30%." It is to have \$200,000 capital and \$50,000 net surplus. President C. Sims Bray, Jr., of Georgia agents association urges members to get before members of A.I.G. the statement pointing out that the path may not be all a bed of roses for such a company.

The statement says that private industry would be destroyed if every industry group pursued the socialistic principle of working through its own insurer. The statement goes on to say that with such a company safety engineering services would undoubtedly be lost because that is an important element of the expense which the A. I. G. company apparently intends to eliminate.

The proposed capitalization is too thin to provide insurance that is worth while.

The savings that are forecast, according to the Georgia agents, are based on loss ratios over a period of about nine years ending March 31, 1950, whereas it was in that year that insurers began to lose money. Had the more recent years been used for comparison, the picture would have been entirely different. The loss ratio in Georgia was 73.6 in 1950, 65.5 in 1951 and 69.8 last year.

The A.I.G. prospectus expresses the hope that a 6% dividend can be paid to stockholders. To pay a dividend to stockholders and policyholders in the early years of an insurer presupposes a remarkably low loss and expense ratio. It will be most unusual to be able to do this.

Insurers organized by manufacturers groups have not always been as successful as the New Jersey and Pennsylvania companies. For instance Illinois Manufacturers Mutual Casualty proved to be a headache to the association and was reinsured in the Kemper companies.

The prospectus, according to the agents statement, in referring to an anticipated 40% expense loading, fails to state that presently risks producing a premium of between \$4,000 and \$5,000 receive an 8% reduction in premiums from stock companies and 2% from participating companies; on premiums from \$5,000 to \$95,000, there is a discount of 13½% from stock companies and 5% from participating companies.

It is known, the Georgia agents say, that some of the directors of A.I.G. are opposed to the venture from both a business standpoint and as being in conflict with the objectives and purposes of the association.

Beneficial Fire & Casualty, Los Angeles, has applied for authority to write plate glass insurance.

Grand Nest Rally of Blue Goose Is Held at Winnipeg

**Martin to Succeed
Sterling as M.L.G.G.,
Fenerty to Be Keeper**

**By LLOYD J. EPLER
(P.M.L.G. Illinois Pond)**

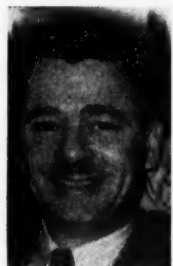
WINNIPEG—Blue Goose rice fields throughout the U. S. and Canada took on a deserted look this week as ganders assembled here for the grand nest convention.



Sam L. Sterling

John Henry Martin, Standard Forms Bureau, San Francisco, was scheduled to move up to succeed Sam L. Sterling, Winnipeg adjuster, as most loyal grand gander at the election meeting Thursday.

At mid-week it appeared that R. L. Fenerty of Fenerty, McGillivray & Robertson, Calgary law firm, was unopposed for election as grand keeper. Others on the official slate, follow-



R. L. Fenerty



John H. Martin

ing Mr. Martin, are Alex B. Young, Hartford Fire, Kansas City, grand supervisor; Robert L. Wiseman, Washington, D. C., adjuster, grand custodian; Jules Simoneaux, Steckler & Co. general agency at New Orleans, grand guardian, and H. L. Mauritsen, Fireman's Fund, Milwaukee, grand wielder.

The newest member of the officers' list specializes in fire insurance law and has been active in Blue Goose since 1943. Mr. Fenerty was most loyal gander of the Alberta pond in 1949-50, and deputy most loyal grand gander for that pond the following year. He received his law degree at Alberta University in 1933 and later, as a Rhodes scholar, attended Oxford University in England, graduating in 1936.

Grand nest officers met Monday and that evening there was an informal fellowship gathering. A golf tournament was staged Tuesday, as well as a sight-seeing tour of Winnipeg. The program for the Canadian ponds' night included a cocktail party, dinner and entertainment.

Following introduction of officers and welcomes from the premier of Manitoba and the Winnipeg mayor Wednesday, the principal address from an outside speaker was given by the Manitoba insurance superintendent. The remainder of that day's session was devoted to reports from officers and committees, the model initiation and inauguration of the Edmonton

Companies' First Six Months Results

	Assets June 30	Surplus June 30	Increase or Decrease in Surplus from Dec. 31	Premiums First Six Months 1953	Premiums First Six Months 1952
	\$	\$	\$	\$	\$
American Central	14,477,831	5,639,195	-625,915	3,310,677	3,330,884
American States	20,454,015	5,279,897	447,221	10,878,755	8,506,590
American Universal	5,008,159	981,012	-482	3,900,854	2,251,320
Assurance, America	5,472,783	2,504,070	-2,266	1,384,124	1,175,002
British General	3,318,278	2,082,345	-5,107	475,660	470,390
California	9,086,709	3,665,804	-82,643	2,011,791	1,989,561
Car & General	6,245,953	1,784,477	-100,647	2,291,166	2,255,056
Commerce	17,018,368	8,419,950	-282,427	3,798,594	3,373,375
Commercial, Newark	44,763,987	8,146,967	-2,184,273	17,425,664	15,498,192
Commercial Union, Eng.	29,850,125	10,919,049	-503,442	7,630,971	7,609,566
Commercial Union, N. Y.	6,754,996	2,594,714	-152,821	1,586,068	1,562,210
Concordia Fire	10,158,294	2,178,021	-505,920	3,165,884	2,968,929
Copenhagen Re.	4,480,735	2,155,335	-25,706	1,192,210	438,182
Firemen's, Newark	119,896,903	44,761,073	-10,083,900	27,136,155	25,447,967
Franklin National	9,789,918	5,338,705	-108,464	1,353,433	1,643,810
Girard	4,156,067	327,039	-327,039	3,161,445	2,964,609
Glens Falls	75,846,994	26,865,192	-1,815,744	20,892,266	18,553,561
Glens Falls Indem.	42,171,439	12,095,829	-92,565	13,295,078	11,806,811
Guarantee	4,859,485	567,717	-138,831	3,446,455	2,141,162
Hartford S. B.	40,525,485	14,201,219	-874,424	8,209,450	6,299,239
Indemnity Marine	3,367,207	1,774,963	37,892	531,120	641,757
Liberty Mutual	328,306,326	47,591,235	1,373,930	128,179,031	107,162,911
Mechanics & Traders	10,672,561	6,304,510	-34,260	1,855,433	1,643,810
Metropolitan Cas.	38,594,622	6,678,732	-1,643,251	15,583,891	13,313,510
Milwaukee	32,857,223	11,084,219	-1,159,037	8,593,115	8,056,522
National-Ben Franklin	12,546,026	4,378,219	-278,749	3,165,884	2,968,929
National Fire	110,362,532	39,810,702	-2,495,300	29,686,942	26,300,973
No. Amer. F. & M. Re.	4,421,384	2,203,218	72,947	727,552	854,398
Northern	37,553,726	14,078,792	-1,267,172	9,635,408	8,696,966
Pacific Indem.	44,450,867	11,574,824	-445,785	13,859,007	13,341,829
Palatine	5,231,126	2,344,860	-143,724	1,113,776	1,101,688
Patriotic	5,014,702	2,642,319	-157,227	827,491	896,074
Provident Fire	5,185,588	2,306,052	33,398	1,233,594	1,362,767
Prudential, Great Britain	10,584,529	4,089,940	16,604	2,250,302	2,416,992
Royal Exchange	10,871,431	3,543,195	46,104	2,059,754	2,623,866
Seaboard F. & M.	5,494,338	1,990,203	-165,685	1,407,925	1,325,477
Seaboard Surety	17,713,177	9,193,699	-518,194	3,015,570	2,578,856
Skandia	8,979,271	3,811,014	66,271	1,800,242	1,933,594
State Assur.	2,132,552	809,828	1,710	495,221	408,170
Sun Ltd.	15,569,894	5,632,292	-235,969	3,743,771	3,687,375
Sun Underwriters	3,015,712	1,452,943	1,515	483,737	623,208
Swiss Re.	69,279,100	17,665,165	-1,477,070	15,859,708	16,608,094
Transcontinental	9,675,706	5,158,889	-119,749	1,855,433	1,643,810
Union Assur. Soc.	5,159,081	2,301,074	-75,533	1,113,776	1,101,688
Yorkshire	8,062,013	2,553,092	-240,398	2,602,719	2,369,291
Yorkshire Indem.	5,767,532	1,580,329	-126,612	2,056,754	1,915,539

puddle as a pond.

Installation of officers and the memorial service were highlights of the Thursday agenda.

Arrange Program for Colo. Agents

The program is announced for the convention of Colorado Insurers Assn. Oct. 8-10. There will be a directors' meeting and luncheon Oct. 8 and the founders and past presidents dinner that evening. The next morning with President Thurston Jenkins presiding, Commissioner Kavanaugh will talk, as will Robert E. Battles of Los Angeles, member of N.A.I.A. executive committee. L. J. Hoagland of Sayre & Toso of San Francisco will give a talk on "London Lloyds Facilities" and Dr. Howard Ninemires of Colorado State College will speak on promoting driver education. That afternoon A. M. O'Connell of Cincinnati, chairman of the N.A.I.A. property committee, will be heard and there will be a panel with Foster Fritchie as moderator and with Mr. O'Connell participating. Walker Garrott of Denver will deal with auto underwriting; Ross S. Oliver of Denver with personal articles floaters and Matt Due of Grand Junction with agents premium finance plan.

The banquet comes that evening with Mr. Kavanaugh giving the oath of office; the next morning there will be a breakfast with a panel on what an agent expects from a field man and vice versa. Then there will be a business session.

Benefit Plan Conference

The Council on Employee Benefit Plans will hold its annual conference Oct. 22-23 at the Hotel Commodore in New York City. Among the topics to be discussed are the role of the federal government in providing old age, health and welfare benefits; financing hospital and medical care; funding retirement benefits; keeping employees informed; problems of providing health care on a voluntary basis; problems in administering employee benefit plans, and trends in employee benefits.

6 Chicago Brokers Lose Their Surplus Line Licenses

**Barrett Charges Sale
of Lloyds Dread
Disease Policy Unlawful**

Insurance Director Barrett of Illinois was scheduled to meet Wednesday afternoon with representatives of the six prominent Chicago brokerage firms whose surplus line licenses he canceled effective Aug. 19. These firms are Marsh & McLennan; Fred S. James; Rollins, Burdick, Hunter; A. F. Shaw; R. N. Crawford and G. Shannon Grover.

This situation will lead to a discussion between the department and the brokers on what constitutes surplus line business and some feel that an agreement will be worked out and the licenses restored. In the meantime, the brokers who lost their licenses are compelled to bind business with other brokers who don't have the problem and this is costly and troublesome. It is generally understood that these brokers are charged with violating the conditions of surplus line licensing by selling a dread disease policy in London Lloyds, despite the fact that such insurance is available from numerous other companies. The brokers undoubtedly went on the assumption that this policy was suitable for surplus line treatment because the premium for it was less than what was charged by licensed insurers, or perhaps because the coverage was broader. The dread disease policy was featured by the Shannon Grover firm especially, and some of the other brokers placed their orders through Grover.

This took a premium of \$15 for two years. It was being pushed aggressively by some of the brokers just at the period when the great volume of Continental Casualty polio business was up for renewal, and some of the brokers that had clients in Continental were suggesting that they switch to Lloyds because the Continental premium was \$20 for two years and polio only was covered rather than the six or seven other diseases, such as smallpox, that were covered in the Lloyds' contract.

The Lloyds policies that were cleared before Aug. 19 will not be disturbed.

There was a great todo, naturally, when the brokers got their notice of cancellation last week and efforts to reach Mr. Barrett were unsuccessful. He was vacationing, it was reported, and the brokers tried over the week end to get him. Finally, contact was made and the meeting with him was set up for Wednesday afternoon.

Under the Illinois law, the surplus line broker's license can be canceled without a hearing.

Joins Informative Research

Aldon M. De Lancey has resigned as casualty superintendent for New Zealand to become San Francisco sales manager for Informative Research of Los Angeles. He replaces T. J. Ryan who is entering the agency business. Mr. De Lancey started with Royal-Liverpool in 1936 and was casualty underwriter at Oakland until he went into the air force. Upon his return he became a special agent for Royal-Liverpool, and had been with New Zealand since 1949.

J. B. Cralle Joins J. A. Munro Group

RICHMOND—Joseph B. Cralle, II, secretary of Davenport Insurance Agency here, has been named secretary of the reinsurance companies that are under the management of J. A. Munro at New York. These companies are Prudential of Great Britain in New York, Skandia and Hudson. Mr. Cralle graduated at University of Virginia and is a former president of Richmond Junior Chamber of Commerce. He was assistant director of the March of Dimes last year and he won the distinguished service award of the Junior Chamber of Commerce as Richmond's "most outstanding young man" of 1952.

Berry Western Adj. Cleveland Head

F. W. Berry has been appointed Cleveland manager of Western Adjustment to take the place of P. M. McBride who resigned to join the Spencer, Patterson agency at Findlay, O. Mr. Berry is a graduate of Ohio State and has been in the adjusting field 23 years. He has been with Western at Cleveland since 1936 and has been assistant manager there since 1950.

Cooley Casualty Head of Fred Carnell's Company

LeRoy Cooley has been named to head the casualty operations of American Liberty of Birmingham, the Fred A. Carnell company which will commence business on the completion of the merger of Penn Liberty and the Alabama insurer. Both companies are wholly owned by a group of Swiss insurers. Present plans call for the merger of these two insurers near the end of the year.

Mr. Cooley began in 1938 with Travelers and recently served with the Atlantic companies in the home office and as casualty underwriting branch manager. He will be vice-president.

Crighton Handles S. E. for Seaboard Surety

Seaboard Surety has appointed M. H. Crighton Jr., formerly with U. S. Guarantee as production manager for the territory supervised by the Chicago office, as manager of a southeastern office supervising the six states of the Carolinas, Georgia, Florida, Alabama and Tennessee.

Mr. Crighton has been in insurance since graduation from William & Mary in 1933, starting with Fidelity & Deposit.

Michigan Department to Hold Training Institute

Another departmental training institute will be held by the Michigan department at Lansing Sept. 24-25. The general theme, "Perfection of Functions," will be presented by Commissioner Navarre. Spalding Southall of National Assn. of Independent Insurers, former Kentucky commissioner, will give the keynote address on "How Large an Influence—the Importance of the Individual."

The commissioner will devote a half-hour at a later session to discussion of "The Growth and Development of an Organization," considering structure, motivation and personnel, followed by a similar analysis at the individual level, with John W. Wickstrom, chief deputy, as moderator.

Robert J. Koch of Michigan Blue Cross and Blue Shield will speak on "Criss-Cross Management—Now Everyone Belongs to the Management Team."

Grady to Mass. Bonding

Joseph J. Grady, who has been connected with the group department of Equitable Society at New York and at

Philadelphia, has joined Massachusetts Bonding as manager of its newly established New York regional group department. He will have charge of group business in New York, New Jersey, Pennsylvania and Connecticut. He graduated from St. Joseph's College and went with Equitable after serving in the army.

New Edition of Electrical Code Issued by N.F.P.A.

The national electrical code will be published in its latest revision Sept. 1 by National Fire Protection Assn. The 1953 edition has been adopted as an American standard by American Standards Assn.

In its revised form, the new code is the result of a broad sampling of opinion and experience by home owners, industry, inspection authorities, fire officials, government agencies, insurance groups and cooperating national associations. Representatives of these groups—over 130 individuals—have been working for two years on the changes which have been incorporated in the 1953 edition.

Chairman of the N.F.P.A. electrical correlating committee is Merwin M. Brandon of Underwriters Laboratories and the secretary is Charles L. Smith, N.F.P.A. electrical field engineer, who also is secretary of International Assn. of Electrical Inspectors.

Regan to Am. Auto in N. J.

Michael Regan has been appointed bond manager at Newark for American Auto. He has been with F. & C. 5½ years. He was located for a time at Buffalo and then was bond manager at Minneapolis. Most recently he has been in charge of judicial and public official bonds at the head office. He got his law degree from Fordham. He was an officer in the marines in the last war.

Hurricane in East Will Cost \$750,000

The hurricane Barbara which hit a part of the east coast last week caused approximately 7,500 losses for a total cost to insurers of about \$750,000. The average loss ranges from \$50 to \$200, and most of them, 4,000, are at Norfolk, Va., and vicinity. General Adjustment Bureau has established four storm offices, at Norfolk and Newport News, Va., and Virginia Beach and Elizabeth City, N. C.

Advice Is Given to School Boards on Insurance

A special report on insurance has been gotten out by American Assn. of School Administrators at Washington. This is a department of National Education Assn. The report said that since school buildings and equipment may be the biggest economic asset of a community, they should be adequately protected against loss through intelligent use of insurance. The proper insurance program is a particularly important responsibility in smaller communities where a single fire might render a disastrous blow to school finances. There should be long range decisions on purchase of suitable properties, regular check-ups on house-keeping, maintenance and compliance with regulations.

The insurance program should be budgeted so that about equal amounts of coverages expire each year and the insurance should be divided among a number of insurers.

N. H. Fire Reports at June 30

New Hampshire Fire in its midyear statement shows assets of \$44,916,017 which is just about \$1 million less than at Dec. 31. The premium reserve was \$17,976,565 which was an increase of better than \$600,000. The catastrophe reserve and security valuation reserve each remain at \$1 million, capital is \$4 million as against \$3,750,000 and net surplus is \$10,160,829 as against \$12,208,522.

The premiums written were \$9,785,818, losses incurred \$4,633,222, trade profit \$894,552 or 9.14%, net gain from underwriting \$228,507, investment income was \$613,940, decrease in value of investments \$1,525,996.

Horka to Kalamazoo

Special Agent Arthur C. Horka has been transferred from Des Moines to Kalamazoo, Mich., by Hartford Accident, covering southwest Michigan. He is a graduate of De Paul University law school and was practicing law before joining Hartford Accident in 1942 in the claim department at Chicago. In 1943 he was named special agent for northern Michigan and a year later was assigned to Des Moines, covering northeast Iowa.

B. E. Woodruff to Chicago

B. E. Woodruff Jr., has gone to Chicago to become engineer for Protection Mutual of the Factory Mutual system. He is a graduate of Clemson and after navy service in the last war went with the Factory Mutual engineering division, being stationed at Charlotte for three years. Then for another three years he was with Boston Manufacturers Mutual at Charlotte, and for the past two years has been with that company at the head office.

D'Alesandro Cancels Policy

Mayor Thomas D'Alesandro of Baltimore has ordered cancellation of a policy held by his agency on a city-financed parking garage.

Existence of the policy came to light recently during a controversy over the city-financed garages while the mayor

was away in Europe. He disclaimed any knowledge of the policy upon his return. The \$400,000 policy carried a premium of \$1,300 on which the commission to the mayor's firm was \$260 a year.

R. J. McCullough, his partner, had handled other insurance for the garage owner for 25 years.

Auto Material Damage Rates Reduced in Wash.

The Washington department has approved a 5.7% over-all reduction in auto material damage rates, effective Sept. 21, and retroactive to Aug. 1. The filing was made by National Automobile Underwriters Assn.

The over-all changes are: Private passenger—comprehensive, +0.4%; towing and roadside service, -50%; \$100 and \$250 deductible, -22.2%; \$50 deductible, no change; total average change for all private classes, -3.1%. Commercial local—comprehensive -13.9%; fire and theft, -15%; collision, -25%, over-all commercial local, -21%. Intermediate commercial—all lines -13.2%. Long distance—no change in collision, all other lines -10.4%.

A new filing will be made soon in Oregon.

Hold Institute in N. C.

The Institute of Insurance of North Carolina Assn. of Insurance Agents was held at University of North Carolina in cooperation with the university.

Courses given included fire insurance, automobile liability, automobile material damage, casualty, bonds, fire rating procedure, casualty rating procedure, public liability, inland marine, workmen's compensation, fidelity and surety bonds, and burglary and glass. A two-day agency management course also was held.

A talk on North Carolina insurance law was given by Commissioner Cheek.

Highway Contracts Bonded

Guy F. Atkinson Co., San Francisco, has been awarded a contract by the California department of highways for construction of a highway vehicular tunnel in Marin county at \$4,122,382. Fidelity & Deposit is on the bond.

Griffith Co., Los Angeles, has been awarded the contract for construction of certain state highways in Los Angeles county at \$3,060,396. National Surety has executed the bonds.

Jack Riley Agency Expands

The Jack Riley agency at North Kansas City has acquired the business of the Emerson Insurance Agency by purchase, with H. L. Emerson concluding a brokerage contract with the Riley agency. Jack V. Riley was with Western Adjustment seven years before starting his own agency.

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John Henry Is Now V.-P. and Secretary of Continental Companies

John A. Henry, who has been general counsel of Continental Casualty and Continental Assurance, has now been elected vice-president and secretary as well. Those titles had been held by John E. Stipp, who has resigned to become president of Federal Home Loan Bank Board of Chicago.



John A. Henry

Mr. Henry went with the Continental companies in 1944 as counsel and later became general attorney and then general counsel. From 1938 to 1944 he was counsel for Utica Mutual. He graduated at Amherst and from Albany Law School and then practiced law at Utica.

Mr. Stipp had been chairman of H.L.B.B. since 1951 and as president he succeeds A. R. Gardner, who is retiring. Mr. Stipp is a lawyer and in 1949 was head of the building and loan department in the office of the Illinois state auditor. He left that position to become an officer of the Continental companies.

Clayton Hale Insurance Consultant for Turnpike

Clayton G. Hale of Cleveland has been retained as insurance consultant to Ohio Turnpike Commission under a restrictive agreement by which his firm, Hale & Hale Co. eliminates itself from the writing of any insurance for the commission or their contractors.

Until Ohio Turnpike Project No. 1, now under construction across northern Ohio, is in complete operation an administrator, probably part-time, in the commission's headquarters, will handle the office control of the commission's insurance and the insurance specifications applying to contractors in connection with their work on the project.

Mr. Hale has had 30 years insurance experience. He served as assistant chief of the insurance division of the Navy Department in the last war and has been insurance consultant to the office of the Secretary of Defense since 1950.

The commission's insurance problems arise from preparing a right-of-way for and constructing a 241-mile toll road, which includes 41 railroad crossing eliminations, several hundred bridges and other structures, and putting the project into operation on a revenue basis.

Rotarians Hear Carden

B. P. L. Carden, assistant general adjuster of National Board in charge of its Wichita catastrophe office, addressed the Wichita Rotary Club on "Catastrophe Loss Adjustment Procedure of the N.B.F.U." He was introduced by Ewing B. Fergus, Wichita manager of Kansas Inspection Bureau.

Homeowners' Sales Climb

Reports from areas in which it is authorized indicate that sales of homeowners' package policies are steadily increasing.

Plan Regional at Oakland

George O. Johnson, vice-president of California Assn. of Insurance Agents, will report on legislative activities and future plans in that field at a regional

meeting at Oakland Sept. 3.

Mr. Johnson will also explain the association's position in several other underwriting and administrative developments which affect agency production and operation, as well as review the recent changes in automobile insurance.

Crawford Joins Gale, Smith

William H. Crawford, special agent at Nashville of Home for 10 years, has been made office manager and executive assistant of the Gale, Smith & Co. agency there.

Am. Auto Cleared on "Ad" Charges

American Automobile has been cleared of contempt charges by a district judge at Wichita in connection with its advertising campaign that is aimed to acquaint the public and jurors with the effect of high verdicts in personal injury cases. Judge W. C. Kandt of Sedgwick county district court said he was giving a decision for American Automobile "with reluctance," as he indicated a personal distaste for the advertising. He voiced his

belief in "the sense of fair play inherent in our jurors."

The action was brought by Evelyn Hendrix of Wichita on the ground that the advertising was calculated to prejudice jury action in her suit against Consolidated Van Lines of California for injuries in a traffic accident. Judge Kandt based his findings on the "clear and present danger rule" established by the U. S. Supreme Court in rejecting contempt charges against Harry Bridges and a Los Angeles newspaper that printed the protest of Bridges and his union against a court ruling.



Muscles for a nation's air arm

Since it started in 1939, the operation of the McDonnell Aircraft Corporation of St. Louis has been characterized by daring, imagination and technical foresight in building planes for America's defense. From its modern plant have come such battle tested planes as the jet-powered Phantom and Banshee, and the sensational new Voodoo and Demon jet fighters.

As with so many of America's industries, U. S. F. & G. has participated in the growth of McDonnell by providing the various insurance coverages essential to its operations.

Whether you produce planes or trains; whether you sell goods or services for the home or for defense; no matter what you do, there are U. S. F. & G. coverages to meet your needs.



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BONDS

United States Fidelity & Guaranty Company, Baltimore 3, Md.
Fidelity Insurance Company of Canada, Toronto

Carbon Dioxide Tested as Extinguisher of Gin Fires

Louisiana Fire Prevention & Rating Bureau is withholding decision on credit ratings for new carbon dioxide fire extinguishing systems for use in cotton gins pending a report on such systems from a committee composed of cotton gin owners, representatives of engineering bureaus and others interested.

The committee was on hand for two separate demonstration fires which were ignited in the cotton ginning system at the Archibald Gin, Archibald, La., allowed to spread for 33 seconds, and extinguished in 8½ seconds by a specially installed carbon dioxide system.

The piping for the carbon dioxide fire extinguishing system was designed and the demonstration was arranged and staged by William S. Ferguson, vice-president and general manager of Herbert S. Hiller, Inc., New Orleans, fire prevention specialists.

Picture Poses Problem

A life-size picture of the underwriting room at London Lloyds that was delivered recently to Stewart, Smith (Ill.), Inc., presented an unusual insurance problem to that firm after it arrived at Chicago from London. It was found that the picture was too big to take up the elevator of the Board of Trade building, or up the fire escape, and it was considered too hazardous to haul it up outside the building. The picture was deposited in the basement for five days and then taken up on the roof of a freight elevator.

During the rest in the basement and the delivery, the picture was insured against loss from breakage, theft, water, damage by delivery men in the course of their deliveries, workmen's compensation, personal accident and property damage.

NACCA Ready for the Show

National Assn. of Compensation Claimants Attorneys, who are becoming more and more a thorn in the side of insurance companies and others interested in defense, are going to have their annual convention at Edgewater Beach hotel, Chicago Aug. 31-Sept. 4. Justice Tom Clark of the U. S. Supreme Court, will be the banquet speaker; Federal Judge W. G. Knoch, will be moderator of a conference on negligence cases. Others appearing on the program will be Chief Justice W. V. Schaefer of the Illinois supreme

court; Circuit Judge Thomas J. Courtney of Cook county; Superior Judge Harold G. Ward of Cook county, Federal Judge Alfred E. Modarelli of New York; Illinois Appellate Judge John M. Touhy; Francis X. Busch, dean emeritus of DePaul university law college; Illinois Appellate Judge Michael Feinberg and Circuit Judge Harry M. Fisher of Chicago.

Cites Ga. Agent on Unlicensed Selling Charge

Commissioner Cravey of Georgia has brought action against Harry D. Gurley, Jr., of the agency bearing his name and three of his employees at Savannah for selling automobile insurance on Hunter air force base in companies that are not licensed in Georgia. He charges they have been selling insurance in what he claims is the now defunct Southern Standard County Mutual of Houston, and in National Insurance Assn. of Jacksonville, Fla. Mr. Cravey said he brought the action after having warned Gurley that these companies were not licensed in Georgia.

At the same time an action was brought against J. W. Beacham of Atlanta, for allegedly selling insurance without a license and an action was brought against M. E. Tolbert of Gainesville on the charge of making rebates.

Physicians Liability Tight

Physicians' liability insurance, for which there never has been too large or vigorous a market, is reported to have become increasingly tight in recent weeks. The experience of the companies in some sections has been notably bad, particularly in California and New York, but apparently underwriters are not too happy about commitments in other sections, and some of them have withdrawn. Report has it that Connecticut physicians now are finding it difficult to get coverage.

Some of the business is said to be going abroad by way of surplus lines brokers at judgment rates.

Complete C. P. C. U. Curriculum

Two courses have been added to the property insurance program at Illinois Institute of Technology at Chicago and this will provide a complete curriculum leading to the C.P.C.U. These are for beginning students and consist of a 2-hour session once a week for 17 weeks. Registration will be Sept. 11 at the Chicago Board auditorium.

Kent Meyers of Cleveland Heads Counsel Federation

At the annual meeting of Federation of Insurance Counsel at Bedford Springs, Pa., last week, Kent Meyers of Cleveland was elected the new president and Charles B. Robison of the Chicago law firm of Meyers & Matthias was elected chairman of the board. President-elect is James Dempsey of White Plains, N. Y., and secretary is Robert Lutz of Chicago. The board of governors consists of W. W. Mitchell of Memphis, Gregory Brunk of Des Moines, Samuel Spears, Boston; William McKelvy, Seattle; Geo. F. Woodliff, Jackson, Miss.; Bert Strubinger, St. Louis.

New C. V. Starr Enterprise

C. V. Starr & Co. group has formed American Home Agency, Inc. and appointed Clifford A. Roche, president.

The agency represents American Home Fire, Globe & Rutgers, and State of Pa. as metropolitan agents and as managers for nationwide business, writing fire and allied lines and automobile physical damage.

The agency provides domestic facilities complementing the overseas market available to U.S. producers through American International Underwriters.

Mr. Roche started in insurance in 1933 and has worked as a field man and in agency and brokerage underwriting departments. He joined A.I.U. in 1948, later transferred to Manila and in 1950 was elected vice-president, treasurer and director of A.I.U. for the Philippines, Inc. He will be assisted by John Moffat and George R. Tessmer. Harry C. Youman has joined the American Home Agency in a production capacity.

Argue W. Va. Tax Issue

A hearing was held before Circuit Judge Taylor at Charleston on the objection of insurers to pay the \$150 minimum corporation tax that has been exacted from foreign corporations other than insurance companies for some 52 years in West Virginia, and which in 1952 State Auditor Sims sought to make applicable to insurance companies. Sims was formerly insurance commissioner and he formed some undying allergies for certain insurance companies and insurance people.

Robert W. Lawson, Jr., made the argument for the companies that to exact this tax would constitute a double levy on top of the regular pre-

mium tax. In 1951 Sims tried to collect the general corporate license tax from foreign insurers for the five years 1946-51, but in November of that year the companies got an injunction against him on this.

Farm Bureau Institute

An insurance class attended by about 50 was held throughout the week at Champaign, Ill., as one of the activities during the Farm Bureau Institute gathering there. This was in charge of A. E. Richardson, general manager of American Agricultural Ins. Co. of Chicago, which is an instrumentality of American Farm Bureau Federation, and by O. R. Long of Tennessee, who is southern regional director of Farm Bureau activities.

K. C. Claims Course Card

University of Kansas City's short course on investigation and settlement of casualty claims will be held Sept. 17-19 with an array of insurance men, attorneys and physicians as speakers. Insurance speakers include Albert L. Plummer of Bruce Dodson & Co. on "The Standard Automobile Insurance Policy;" Leonard Peterson, Jr., casualty superintendent Royal-Liverpool, "Comprehensive General Liability Policy;" O. B. Sullivan, Aetna Casualty, "Garage Liability Policy;" Charles M. Boyles, Allstate, "Case Studies in Investigating the Accident Scene;" Elmer T. Carl, Employers Reinsurance, "Evaluating Damage and Making Settlements;" Carleton B. Smith, Central Surety, "Evaluating Property Damage Losses;" F. A. Rhodes, vice-president Central Surety, "Thirty Years of Claims and Litigation."

Maine Men Crack Books

Among those that are featured at the summer insurance school of Maine Assn. of Insurance Agents at University of Maine this week are Eugene A. Toale of N.A.I.A.; Robert B. Lawless, superintendent of agency management service department of Phoenix of Hartford; Roy A. Duffus, local agent of Rochester, N. Y.; Richard K. Stuart, University of Maine; Oscar Beling of Royal-Liverpool, Philip Chapman of the Portland law firm of Chapman, Byer & Nixon. There is a panel on business interruption vs. extra expense, staged by Pine Tree Field Club, participants being Ellis S. Perrigo of New Hampshire Fire, R. P. Averill of Aetna and Paul E. Goode of Boston.

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Hits Shot Gun Suits Against Manufacturer in Air Accidents

George I. Whitehead, Jr., assistant director of claims of U. S. Aircraft Insurance Group, gave a well studied paper on manufacturers liability in aviation cases at the meeting of American Bar Assn. insurance section at Boston. There has been a perceptible trend in the matter of manufacturers liability away from the common law rule of caveat emptor, he said. The shift has not progressed entirely to the side of caveat venditor, but the decisions are in the direction of increasing the seller's responsibility to the public.

Although it is obvious that the manufacturer is not liable without proof of fault, there is a recent tendency in aviation litigation for plaintiffs to name the manufacturer as a defendant with the air carrier, seemingly under the delusion nothing more is necessary to gain a verdict. When lawyers learn through losing these cases that it is not in the best interest of the client or his own professional reputation to become unnecessarily involved in side issues with a non-negligent manufacturer, the practice will be discouraged and the industry should have fewer of these vexatious law suits. The industry is conscious of its obligations to the public and through sharing experiences and a constant interest in safety, aviation is insuring continued and increasing public acceptance of its product.

The aviation accidents in which the investigation of the cause leads back to the manufacturer are a small percentage of the total, he said. Nevertheless, air frame makers, manufacturers of components and accessories, have been made defendants when there has not been a scintilla of evidence upon which to hold them responsible. Harassing law suits must be defended because no compromise adjustment by the manufacturer or its insurer would be either advisable or satisfactory. But defense is expensive and the premium must eventually reflect experience.

Mr. Whitehead criticised legal tactics that he said are in the form of a shotgun blast hoping to hit someone as a substitute for clear understanding of the law and facts of the case.

Mr. Whitehead divided his discussion into: The action to recover for destruction of the aircraft; the purchaser's consequential damages; actions by the air line in passenger cases; actions for bodily injury to passengers; actions for injury to or death of flight crew; action for damages to persons on the surface.

Smith Joins Ohio Farmers

Charles H. Smith has joined Ohio Farmers companies in their northwest regional offices at Minneapolis as staff adjuster. He has previously had extended adjustment experience with Liberty Mutual, Employers and North America.

He will be associated at Minneapolis with Thomas J. Burke, state agent, and John Moore, special agent.

Two New Assistant Secretaries

Alfred O. Stuber, who is assistant manager of the bond underwriting department at the head office, has been elected an assistant secretary of United Pacific and Keith W. Swartz, who is manager of the metropolitan branch at Los Angeles, has also been designated as an assistant secretary.

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INSPECTION

MAINTENANCE

Most important in considering automatic fire detection and alarm systems are the factors which assure the highest degree of reliability. Without provisions for continuous supervision, inspections, tests and complete maintenance, even the most perfectly designed equipment cannot be depended upon to function properly when an emergency arises.

Bulletin No. 261 of the National Board of Fire Underwriters says: "Experience has been that constant supervision, as rendered by companies maintaining a central supervising office, and under contract to inspect, test and maintain the system, is the best form of service; also, that where such central supervision is not available, then the inspections, testing and maintenance should be under contract with an experienced and dependable organization."

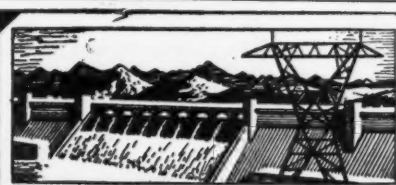
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	Underwriting		Expenses Analysis		Ratios		Claim Comm.		Other Gen.		Taxes &	
	Net premiums written	earned	Losses incurred to earned	Exp. (adj.)	Net gain exp. to earned	exp. to earned	to written	to written	to written	to written	to written	to written
Accident & Casualty	834,221	820,169	49.2	58.7	-7.9	8.8	20.1	9.7	16.3	3.8	—	—
Auto Insurance	49,314,398	48,869,639	43.2	48.1	8.6	2.6	26.1	5.7	10.0	2.7	—	—
Affiliated F. & M.	2,218,093	1,279,373	31.2	13.8	55.0	2	18.0	12.3	13.6	5.7	—	—
Albany	793,913	753,948	51.7	45.6	2.7	4.2	9.1	12.6	13.8	5.9	—	—
Agricultural	6,676,838	6,315,041	42.1	47.0	9.9	3.1	26.4	5.3	9.0	3.2	—	—
Allied Fire	412,257	389,346	41.8	40.4	17.8	3.8	17.6	2.8	13.6	2.6	—	—
American Alliance	4,711,038	4,664,236	45.4	43.5	11.1	2.8	23.0	5.2	9.5	3.0	—	—
American Auto Fire	389,248	112,636	18.2	87.6	-5.8	3.0	22.4	23.6	35.5	3.1	—	—
American Aviation	1,064,050	831,752	46.4	46.9	6.7	3.4	21.4	8.9	9.0	3.1	—	—
American Druggists' Fire	601,717	589,105	29.7	28.5	43.8	1.7	3.0	4.0	17.9	5.9	—	—
American Central	3,471,302	3,331,790	43.5	48.4	8.4	3.0	22.9	7.1	10.5	4.6	—	—
American Eagle Fire	8,536,997	8,244,510	43.7	47.2	9.1	2.7	24.6	7.3	8.9	3.7	—	—
American Employers	555,558	530,385	38.7	69.3	-8.0	2.8	24.8	12.0	28.1	1.6	—	—
American Equitable	9,127,045	8,967,674	44.6	49.6	5.8	3.4	28.6	6.2	7.7	3.7	—	—
American Fidelity	-141,542	63,844	—	—	—	—	—	—	—	—	—	—
American Fire-Texas	74,290	117,225	36.4	67.9	-4.3	5.6	30.9	4.9	19.3	7.2	—	—
American Home Fire	748,974	701,212	49.5	51.1	-6	3.6	28.0	5.9	7.0	6.6	—	—
American Ins.	29,056,716	29,015,614	45.9	41.3	12.8	1.9	23.0	5.6	7.1	3.7	—	—
American Motor Ins.	14,054	26,412	55.6	31.0	13.4	1.0	15.8	8.5	—	5.7	—	—
American Nat. Fire	1,664,097	1,166,069	45.4	43.7	10.9	2.8	24.1	5.3	9.4	2.1	—	—
American Surety	170,714	85,382	39.3	32.3	28.2	1.6	28.7	7	13	—	—	—
American Union	1,928,654	1,927,381	46.4	46.9	6.7	3.4	21.4	8.9	9.0	3.1	—	—
Assurance Co.	799,727	752,385	33.7	54.7	11.6	3.7	27.1	6.0	11.5	6.4	—	—
Atlas Assurance	3,194,538	3,162,046	51.6	45.7	2.7	4.2	9.4	12.6	13.6	5.9	—	—
Automobile Ins.	11,413,307	11,187,538	39.5	48.2	12.3	3.5	19.7	8.6	12.5	3.9	—	—
Bakers Lloyd's	14,909	15,442	—	—	—	—	—	—	—	—	—	—
Balston Marine	18,969	25,235	—	—	—	—	—	—	—	—	—	—
Bankers & Shippers	3,159,706	3,120,788	38.4	49.1	12.5	3.0	29.3	4.3	8.8	3.2	—	—
Birmingham of Ala.	1,189,102	1,059,663	46.8	52.3	9	2.8	36.0	2.2	8.2	3.1	—	—
Birmingham of Pa.	1,666,352	1,537,284	50.4	46.7	2.9	3.1	23.5	7.2	8.8	4.1	—	—
Boston Group	15,311,757	15,134,579	44.7	46.2	9.1	2.9	28.0	6.4	7.6	3.3	—	—
British America	900,678	932,770	41.8	43.0	15.2	2.3	24.9	5.1	7.8	2.9	—	—
British General	496,632	500,265	43.7	48.2	8.1	2.9	22.9	7.1	10.6	4.7	—	—
Buffalo Ins.	3,145,665	2,979,469	44.3	52.1	3.8	3.2	30.6	5.4	9.1	3.8	—	—
Caledonian Amer.	767,504	686,563	49.3	52.5	-1.8	3.9	28.8	7.2	8.5	4.0	—	—
Caledonian Ins.	2,349,102	2,743,479	49.1	51.9	-1.0	3.6	29.3	5.8	7.3	6.0	—	—
California Ins.	2,103,173	2,141,203	43.5	47.6	8.9	3.0	22.8	7.1	10.5	4.2	—	—
Cambden Fire	7,968,261	7,964,780	46.5	47.4	8.9	2.7	29.3	3.9	5.2	3.3	—	—
Cathay Ins.	26,887	67,858	—	—	—	—	—	—	—	—	—	—
Centennial's Ins.	1,602,689	1,522,891	40.1	72.1	-12.2	6.2	2.8	28.0	27.6	7.5	—	—
Central State Fire	—	—	—	—	—	—	—	—	—	—	—	—
Central Surety	236,446	121,607	49.1	59.0	-9	6.4	25.2	1.5	19.6	6.3	—	—
Central Trust-China	357,833	831,428	46.1	59.2	-5.3	3.7	53.2	1.3	7	3	—	—
Century Ins. Ltd.	1,369,153	1,820,624	48.7	57.3	-6.0	3.9	32.4	3.6	10.6	6.8	—	—
Charter Oak Fire	1,529,636	1,097,881	39.8	46.8	13.4	1.9	32.4	6.7	11.3	3.7	—	—
Church Fire	82,999	91,426	—	—	—	—	—	—	—	—	—	—
Citizens Ins.-N. J.	708,361	695,581	41.7	44.1	14.2	2.4	24.4	6.6	7.3	3.4	—	—
Columbia Ins.-N. Y.	2,859,372	2,549,725	44.0	55.7	3	5.8	24.2	8.2	13.4	4.1	—	—
Comm'l Union Ass.	6,672,863	6,608,983	43.8	47.9	8.3	2.9	23.1	7.0	10.4	4.5	—	—
Comm'l Union-N. Y.	4,063,065	1,639,879	43.6	48.3	8.1	2.9	22.8	7.2	10.7	4.7	—	—
Commonwealth Ins.	2,368,467	2,969,629	44.2	45.6	7.2	4.5	22.7	7.1	9.8	4.5	—	—
Concordia Fire	2,621,201	2,589,092	42.2	45.6	12.2	3.3	25.5	5.1	8.0	3.7	—	—
Connecticut Fire	11,199,814	10,723,011	43.2	48.1	8.7	3.0	25.3	7.8	8.9	3.1	—	—
Connecticut Ind.	2,778,710	2,394,799	35.1	48.3	6.6	3.2	25.4	5.8	10.9	3.0	—	—
Continental Ins.	32,682,538	32,413,550	43.4	45.0	11.6	2.5	23.6	7.2	8.4	3.3	—	—
Detroit F. & M.	1,964,132	1,943,431	45.4	42.8	11.8	2.8	22.3	5.2	9.5	3.0	—	—
Dubuque F. & M.	1,733,713	1,687,212	39.0	55.2	5.8	4.3	29.8	7.7	9.7	3.7	—	—
Eagle Fire of N. Y.	2,373,785	1,531,421	45.1	42.3	12.6	4.5	14.1	10.0	11.3	2.4	—	—
Eagle Fire of N. J.	388,335	383,021	45.0	50.7	4.3	1.8	43.6	1.0	2.6	1.7	—	—
Eagle Star	148,500	67,448	45.0	46.4	8.6	1.2	42.9	—	6	1.7	—	—
Empire State Ins.	1,867,710	1,586,260	43.1	46.9	10.0	3.1	26.4	5.3	8.9	3.2	—	—
Employers Fire	4,077,111	3,672,748	41.6	49.3	9.1	2.4	24.2	6.2	12.2	4.3	—	—
Employers Liab.	661,517	437,697	40.1	61.8	-1.9	2.9	26.1	9.5	20.7	2.5	—	—
Equitable F. & M.	2,239,963	2,146,802	43.2	47.8	9.0	3.0	25.3	7.8	8.9	2.8	—	—
Eureka-Security	499,902	4,284,025	47.7	53.0	-7	3.3	29.5	7.0	9.2	4.0	—	—
Excelsior Ins.	496,919	422,273	43.2	50.4	6.4	4.7	4.9	18.5	17.0	5.3	—	—
Export Ins.	84,408	64,123	—	—	—	—	—	—	—	—	—	—
Fire Ins.	554,543	222,088	45.0	67.8	-12.8	6.2	40.8	6.8	11.5	2.1	—	—
Farmers Fire	1,444,334	1,483,928	47.7	54.8	-2.5	2.2	24.5	8.4	9.7	2.7	—	—
Federal Ins.	5,908,558	5,478,630	43.0	48.0	9.0	4.1	26.2	4.1	10.7	2.9	—	—
Fidelity Guaranty	527,663	399,565	43.7	54.7	1.6	5.4	25.6	9.4	12.7	1.6	—	—
Fidelity-Phenix	24,898,797	24,924,698	46.7	44.6	12.7	2.4	24.3	6.6	8.2	3.7	—	—
Fire Ass'n-Phila.	12,838,469	12,282,812	47.0	49.5	3.5	3.9	27.4	5.8	8.7	3.7	—	—
Firemen's Wash., D. C.	365,127	336,838	41.8	66.9	-8.7	7.8	31.3	18.3	7.1	2.4	—	—
Firemen's Fund Inc.	31,649,099	28,723,123	41.5	46.1	12.4	2.7	24.1	8.4	7.9	3.0	—	—
Firemen's of Newark	22,467,431	22,182,217	42.2	45.6	12.2	3.2	25.5	5.1	8.0	3.7	—	—
Founders Ins.	997,460	935,427	38.8	64.9	-3.7	4.7	22.8	20.7	12.6	4.1	—	—
First National	3,085,212	3,002,923	32.4	49.6	18.0	3.2	27.0	5.6	9.7	4.1	—	—
Franklin National	1,412,445	1,352,875	45.3	44.9	9.8	2.8	22.6	6.5	9.4	3.6	—	—
Fulton Fire	—	—	—	—	—	—	—	—	—	—	—	—
General Acc. F. & L.	2,068,150	1,801,736	37.6	49.5	12.9	4.1	28.3	3.7	10.1	3.3	—	—
General Ins. Co.	20,754,974	18,791,219	31.4	42.7	25.9	2.2	27.2	4.4	6.4	2.5	—	—
Girard Ins. Phila.	2,611,522	2,588,126	42.2	45.7	12.1	3.3	25.6	5.1	8.0	3.7	—	—
Globe & Republic	15,982,763	15,309,688	44.3	47.7	8.0	3.6	25.5	6.0	8.7	3.9	—	—
Globe & Rutgers	3,422,867	3,370,377	44.6	49.7	5.7	3.4	28.6	6.1	7.9	3.7	—	—
Granite State Fire	3,491,257	3,432,053	49.7	50.0	3	3.6	29.8	6.3	7.4	2.9	—	—
Great American Ins.	2,931,924	2,999,175	43.5	47.7	8.8	2.7	25.4	11.7	4.4	3.5	—	—
Great Eastern Fire	27,953,516	28,068,272	45.1	46.3	9.6	2.8	24.8	5.0	9.5	3.2	—	—
Halifax Ins. Co.	92,436	95,348	36.1	43.0	20.9	5.9	9.6	13.3	10.2	4.9	—	—
Hanover Fire	613,961	556,865	49.1	60.5	-9.6	5.1	30.7	11.4	7.5	5.8	—	—
Hartford Fire	13,974,421	13,389,789	47.0	49.0	3.4	2.9	28.3	5.0	9.4	4.0	—	—
Hartford Fire	68,711,050	67,471,340	41.7	44.0	14.3	2.4	24.4	6.6	7.2	3.4	—	—

	Underwriting		Ratios		Expenses		Analysis		Taxes &	
	Net premiums written	earned	Losses incurred to earned	(Exp. (adj.))	Net gain exp. to earned	Claim Comm. to written	Other Gen. to earned	to earned	to earned	to written
Hawke-Security	235,966	221,970	42.1	62.7	-4.8	6.7	34.8	6.4	11.2	3.6
Home F. & M.	7,512,275	7,180,781	41.5	46.0	12.5	2.7	24.1	8.4	7.8	3.0
Home Ins. Co.	96,870,719	93,797,720	47.0	46.2	6.8	3.6	22.7	9.2	7.8	2.9
Homestead Ins.	1,259,162	1,430,907	44.2	48.6	7.2	4.4	22.7	7.1	9.9	4.5
Illinois Ins.	1,229,162	1,184,350	49.0	—	5	3.3	24.5	9.4	8.2	3.6
Indemnity of N. A.	673,455	696,793	40.0	30.8	29.2	1.5	28.9	.1	2	1
Industrial Ins.	333,628	90,185	41.9	55.9	—	4.5	20.9	4.5	10.6	15.4
Insurance of N. A.	48,839,535	43,485,511	46.1	43.3	10.6	2.3	22.4	7.3	8.1	3.2
Ins. Co. of Pa.	1,351,762	1,324,830	50.1	51.6	-1.7	3.7	28.0	6.3	7.9	5.7
Jefferson Ins. N. Y.	—	—	—	—	—	—	—	—	—	—
J. Grey Ins. - N. Y.	2,018,701	1,993,837	36.4	49.1	12.5	3.0	29.3	4.3	9.8	3.7
Kansas City F. & M.	772,000	606,243	37.6	41.2	21.2	1.9	21.7	18.6	26.3	10.1
Law Union & Rock	807,413	799,890	40.2	53.2	6.6	2.5	22.5	9.1	12.7	5
Lloyd's Assur.	4,234,062	4,079,844	44.6	50.2	5.2	3.3	24.2	8.8	10.0	3
Lloyd's N. Y.	97,928	96,169	67.4	43.9	77.5	10.7	134.7	38.2	3.2	38.5
London & Lanc. Ins.	3,686,716	3,589,497	42.6	53.8	3.6	3.6	21.8	9.6	13.3	5.5
London & Scottish	514,516	471,280	47.9	49.2	26.7	3.2	20.9	9.2	11.7	4
Manhattan F. & M.	1,814,598	1,718,433	44.6	48.0	7.4	3.3	23.0	8.4	9.5	3.8
Manufacturers' Cas.	58,528	16,916	—	—	—	—	—	—	—	—
Masa. F. & M.	1,964,181	1,943,431	45.4	44.6	10.0	2.8	24.1	5.2	9.5	3.0
Maryland Cas. City	420,199	105,200	48.0	85.3	-33.3	8.3	14.2	21.6	35.8	5.2
Mechanics & Traders	1,112,445	1,132,575	45.3	44.9	9.8	2.8	22.6	6.5	9.4	3.6
Mercantile	2,905,629	2,842,861	44.7	45.6	7.2	4.5	24.6	8.4	10.4	7.1
Merc. Fire Ass. N. Y.	6,900,998	6,166,450	39.1	51.8	9.1	4.0	22.0	4.2	7.1	2.9
Merchants Fire, Denver	1,473,063	1,498,294	42.4	54.5	3.1	2.3	37.9	4.2	6.6	3.5
Merchants & Mfgs.	2,281,912	2,246,918	44.6	49.7	3.7	3.4	28.6	6.1	7.9	3.7
Mercury Ins.	5,351,903	5,361,654	48.6	41.5	9.9	3.4	28.4	3.6	5.9	2.2
Milwaukee National	3,687,211	3,559,100	48.7	46.6	4.7	3.1	23.7	9.0	7.7	3.1
Minneapolis Ins. Co.	7,116,686	7,027,533	42.2	45.6	12.2	3.3	25.5	8.1	8.0	—
Minneapolis F. & M.	—	—	—	—	—	—	—	—	—	—
Monarch Fire	1,305,405	1,267,873	47.9	52.8	—	3.2	29.4	7.0	9.2	4.0
National Ben Franklin	2,621,201	2,589,092	42.2	45.6	12.2	3.3	25.5	5.1	8.0	3.7
National Grange Fire	257,580	139,320	40.5	36.7	22.8	6.5	-6.3	20.0	10.6	5.9
National Fire - Hartford	22,399,112	21,645,985	45.3	44.9	9.8	2.8	22.6	6.5	9.4	3.6
Natl Union Fire	14,967,171	13,855,566	50.4	46.7	2.9	3.4	23.5	7.6	8.8	4.4
Netherlands Ins.	1,038,860	1,143,423	49.1	50.5	—	3.6	27.6	6.1	7.6	5.6
New Amsterdam Cas.	85,515	10,916	—	—	—	—	—	—	—	—
New Hampshire Fire	10,393,373	9,108,892	43.5	48.2	8.3	2.7	25.5	11.9	4.4	3.7
New York Fire	4,153,304	4,119,350	44.6	49.6	5.8	3.4	28.6	6.1	7.8	3.7
N. Y. Underwriters	2,334,211	3,294,586	47.5	42.6	9.9	2.1	23.9	6.5	7.0	3.1
New Zealand Ins.	2,342,184	3,139,030	40.9	48.6	10.5	3.1	30.8	7.3	7.4	3.4
New York Fire	12,467,885	12,096,844	44.3	48.4	7.1	3.2	23.8	8.7	9.2	3.5
N. British Mercantile	5,536,471	5,798,934	44.3	48.7	7.0	4.5	22.7	7.1	9.9	4.5
North River Ins.	9,296,246	9,882,485	42.8	43.6	13.6	2.3	25.8	5.1	7.7	2.7
Northern Ass'n, Ltd.	4,683,444	4,839,322	47.4	50.3	2.3	3.4	21.0	9.9	11.5	4.5
Northern Ins. N. Y.	8,029,677	7,346,374	39.9	51.9	8.9	3.2	30.1	11.8	9.3	3.8
Northern F. & M.	7,335,103	6,896,476	41.7	44.0	24.4	1.4	24.4	6.8	7.7	3.4
Northwestern Nat'l	7,335,103	7,335,103	41.7	44.0	24.4	1.4	24.4	6.8	7.7	3.4
Norwich Union Fire	951,103	1,056,432	43.4	71.4	-14.5	4.5	36.5	10.6	11.8	8.0
Ohio Farmers Insur.	4,734,963	4,162,381	38.2	54.6	7.2	3.4	27.5	8.2	12.2	3.3
Orient	2,334,645	2,267,484	42.5	53.9	3.6	3.6	21.8	9.6	13.4	5.5
Pacific National Fire	7,622,133	7,022,017	43.4	53.2	3.4	3.6	26.0	6.0	10.5	5.1
Pacific Coast Fire	342,289	455,156	48.7	57.2	-5.9	3.9	32.4	3.6	10.3	7.0
Pacific Fire Ins.	3,598,554	3,354,231	38.4	49.1	12.5	3.0	29.3	4.3	8.8	3.7
Pacific Indemnity	138,397	75,168	55.5	57.3	-12.8	2.0	29.6	—	17.7	8.0
Palatine Ins.	1,150,834	1,174,143	42.7	48.3	8.1	2.9	22.9	7.1	10.6	4.7
Paramount Fire	2,092,932	1,783,542	35.5	48.3	3.2	4.0	32.4	9.5	10.6	4.5
Patriotic Ins.	878,860	904,420	43.1	51.7	5.2	3.3	30.3	5.4	8.5	4.2
Pat. Ass'n	4,960,541	4,817,918	47.9	52.8	—	3.2	29.4	7.0	9.2	4.0
Peerless Casualty	290,219	162,487	63.9	67.5	-31.4	5.2	23.5	31.2	5.1	2.5
Penn. Fire	6,432,315	6,283,317	44.3	48.8	6.9	4.4	22.8	7.1	9.8	4.7
Phila. F. & M.	8,730,822	8,704,518	47.0	42.0	11.0	2.5	22.2	7.7	7.2	3.2
Phoenix Ass'n, Ltd.	3,505,036	3,125,469	44.0	55.6	—	4.8	24.2	8.1	13.4	4.1
Penn-Liberty Ins.	11,279	185,166	—	—	—	—	—	—	—	—
Phoenix Ins. Co.	18,559,691	17,786,133	43.2	48.1	—	3.0	25.3	7.8	8.9	3.1
Planet Ins.	1,103,921	1,117,096	45.2	55.3	8.5	3.8	12.0	10.2	24.4	4.9
Potomac Ins.	2,068,150	1,801,736	37.6	49.5	12.9	4.1	28.3	3.7	10.1	3.3
Preferred Fire	—	—	—	—	—	—	—	—	—	—
Providence-Wash. Ins.	11,471,961	10,557,516	47.1	53.5	—	4.9	23.6	8.5	13.1	3.4
Provident Fire	816,486	832,659	45.9	51.7	2.4	3.2	28.4	7.6	10.2	4.5
Quaker City Fire	502,805	469,524	43.3	58.4	-1.7	2.9	42.5	1.6	5.0	6.4
Reliable Fire	468,581	493,470	47.2	54.7	-1.9	3.0	37.1	2.3	10.6	1.7
Reliance Ins.	3,215,124	3,053,421	47.0	49.6	3.4	3.9	27.4	5.9	8.7	3.7
Republic F. Ins.	6,630,833	5,635,341	30.6	54.8	14.6	5.0	28.7	14.5	2.4	4.2
Royal Exchange-American	1,964,183	1,964,183	45.2	43.2	12.2	3.6	26.6	5.9	9.0	3.2
Royal Exchange	217,292	2,220,330	46.6	52.7	7	3.3	28.2	8.2	8.7	4.2
Royal-Liverpool Group	56,002,160	55,546,562	40.8	43.8	15.4	2.5	25.6	5.1	7.4	3.2
Safeguard Ins.	972,768	914,662	42.6	53.9	3.6	3.6	21.8	9.6	13.4	5.5
St. Paul F. & M.	18,955,608	18,218,882	43.4	44.4	12.2	2.8	23.7	5.6	8.6	3.7
Scottish Union	3,539,658	3,503,356	46.8	47.0	6.2	3.4	25.5	9.1	11.1	4.9
Sea Ins.	1,123,306	1,123,306	41.3	50.9	41.3	5.1	25.5	4.5	11.8	3.9
Seaboard F. & M.	1,309,417	1,273,458	45.4	53.8	8	3.4	26.2	7.8	11.3	5.1
Security-New Haven	7,136,131	7,094,397	45.1	48.4	6.5	3.3	25.4	5.8	10.0	4.9
South British	820,403	425,727	43.2	55.6	1.2	3.4	34.2	4.6	9.5	3.9
South Carolina	391,508	710,626	42.7	47.1	10.2	7	45.8	—	5	1
Standard Fire	1,205,921	1,248,356	41.4	43.6	13.0	5.5	23.6	5.3	7.7	2.9
Springfield F. & M.	27,575,884	27,535,687	46.2	48.8	9.0	2.9	24.1	7.4	7.2	3.2
Standard Fire-Conn.	4,576,285	4,577,022	38.5	45.9	16.6	3.6	21.2	8.2	10.2	3.6
Standard Fire-N. J.	1,373,325	1,324,218	48.4	49.6	2.0	4.5	28.1	5.2	10.2	3.6
Standard Marine Ins.	1,317,716	1,359,614	50.7	43.9	6.7	2.7	40.7	1	1	1
State Ass'n	635,017	647,596	46.6	51.5	1.9	3.1	28.2	7.6	8.3	4.3
Stevens Ins.	2,623	2,623	—	—	—	—	—	—	—	—
Sun Ins. Office	3,391,986	3,314,169	43.5	49.9	6.6	3.5	24.4	6.2	11.4	4.4
Sun Underwriters	463,921	486,167	49.1	50.3	—	4.4	23.7	5.7	9.1	5.4
Switzerland Gen.	2,869,496	2,556,133	50.7	48.1	1.2	2.2	43.0	—	1.6	1.3
Transcontinental	1,412,445	1,352,875	42.3	44.9	9.8	2.8	22.6	6.5	9.4	3.6
Travelers Fire	22,036,915	20,846,686	39.8	47.6	12.6	2.7	23.8	6.6	11.5	8.0
Union Ins. Co.	531,271	521,686	44.6	40.5	1.9	1.9	27.8	5.1	9.7	8.4
Underwriters Insur.	648,594	648,594	—	—	-6.9	4.0	43.2	2.0	2.4	4.3
Union Ins. Society	337,078	819,630	55.5	80.9	-15.8	4.8	37.3	4.4	9.4	9.4

Lines & Co. to written	Underwriting Ratios										Expenses Analysis					Taxes & Fees to written				
	Net premiums written	Net premiums earned	Losses incurred	Exp. to earned	Net gain (adj.)	Claim exp. to earned	Comm. to earned	Other to exp. to earned	Gen. to exp. to earned	Taxes & fees to exp. to earned	Underwriting	Ratios	Claim Comm.	Other Gen.	Taxes & fees	Underwriting	Ratios	Claim Comm.	Other Gen.	Taxes & fees
Union Assur. Society	1,150,834	1,174,143	43.7	48.1	8.2	2.9	22.9	7.0	10.6	4.7	—	—	—	—	—	—	—	—	—	—
Union Marine & Gen.	1,291,329	1,151,489	44.0	55.6	4	5.8	24.2	8.2	13.3	4.1	—	—	—	—	—	—	—	—	—	—
United Firemen's	1,549,466	1,396,386	44.8	56.0	—	5.8	24.4	8.1	13.6	4.1	—	—	—	—	—	—	—	—	—	—
United Nat. Ind.	1,412,445	1,352,875	45.3	44.9	9.8	2.8	22.6	6.5	9.4	3.6	—	—	—	—	—	—	—	—	—	—
U. S. Casualty	25,567	3,288	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
U. S. Fid. & Guar.	12,275,994	10,488,997	44.3	50.0	—	5.7	25.5	8.3	10.7	3.0	—	—	—	—	—	—	—	—	—	—
U. S. Fire	18,801,356	19,344,429	41.7	44.0	14.3	2.3	25.5	5.2	8.2	2.8	—	—	—	—	—	—	—	—	—	—
U. S. Guarantee	356,361	324,332	43.0	46.4	10.6	4.1	24.5	4.2	10.7	2.9	—	—	—	—	—	—	—	—	—	—
Universal Insur.	6,837	4,230	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Utah Home Fire	1,295,699	1,333,934	39.1	45.5	12.4	2.6	36.6	1.9	4.3	3.1	—	—	—	—	—	—	—	—	—	—
Vigilant Insur.	601,281	562,181	43.3	48.4	8.3	4.2	25.4	4.4	11.3	3.1	—	—	—	—	—	—	—	—	—	—
Washington Assur. N. Y.	124,632	755,962	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Westchester Fire	10,000,375	10,297,161	41.3	45.9	14.5	2.5	24.9	5.2	8.4	2.9	—	—	—	—	—	—	—	—	—	—
Western Assurance	1,600,827	1,657,880	42.0	43.1	14.9	2.5	24.9	5.1	7.7	2.9	—	—	—	—	—	—	—	—	—	—
Western Fire	1,335,750	1,123,786	51.9	48.6	—	3.5	26.8	2.0	12.1	4.2	—	—	—	—	—	—	—	—	—	—
Yorkshire Insur.	1,999,275	2,098,666	46.0	52.4	-11.6	3.4	27.4	7.4	9.7	4.5	—	—	—	—	—	—	—	—	—	—

Mutual Companies

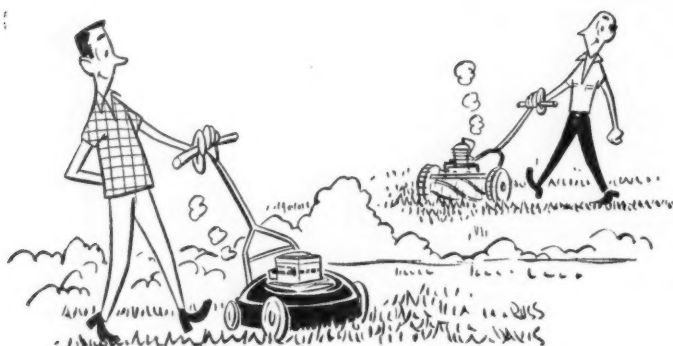
2.2	Abington Mut.	\$540,351	\$511,651	31.1	36.7	32.2	3.0	19.0	3.1	8.6	3.0
3.7	Allied Amer. Mut.	483,225	483,225	31.3	43.2	25.5	4.4	2	23.1	11.3	2.2
3.7	(Am.) Lumb. Mut. Cas.	1,627,437	1,405,000	42.4	49.1	8.5	2.0	38.6	2.8	5.1	2.2
3.7	Amer. Manufacturers Mut.	4,560,422	4,390,168	30.2	40.4	29.4	2.2	20.6	4.5	10.5	2.6
4.0	Amer. Mut. Liability	269,272	49,888	36.4	43.0	20.6	2	42.8	—	—	—
4.0	Atlantic Mut. Ins.	2,704,167	2,564,539	41.5	52.7	5.8	2.8	35.0	5.1	7.7	2.1
5.9	Badger Mut.	1,616,551	1,303,405	39.3	52.4	8.3	6.1	15.0	13.0	13.8	4.5
5.9	Berkshire Mut.	1,337,747	1,230,825	34.3	40.1	25.6	2.2	19.1	5.6	10.3	2.9
5.6	Cambridge Mut. Fire	1,060,061	913,806	37.5	58.0	24.5	2.2	22.1	3.5	6.8	3.1
4.1	Central Mut. Ins.	9,718,006	8,651,074	30.3	41.9	27.8	2.2	23.5	6.5	6.7	2.7
5.6	Cosmopolitan Mut. Cas.	37,593	43,481	40.7	53.2	6.1	2.2	51.0	—	—	—
3.7	Cosmopolitan Mut. Fire	48,794	70,045	30.2	38.2	31.6	4.5	12.0	9.3	32.0	4.4
3.7	Dorchester Mut. Fire	408,542	394,324	33.8	39.1	27.1	4.1	13.3	4.1	14.7	2.9
3.1	Employers Mut. Liability	29,593	7,928	—	—	—	—	—	—	—	—
3.1	Employers Mut. Fire	1,016,949	1,294,433	28.5	32.4	39.1	1.8	1.9	16.5	9.4	2.8
3.8	Farm Bureau Mut. Fire	3,622,553	2,853,141	39.3	56.6	4.1	5.7	11.1	24.5	24.0	3.5
3.5	Farmers Alliance	1,476,562	1,395,719	34.6	41.1	24.3	2.5	26.2	4.0	6.3	2.1
2.7	Federal Mut. Fire	7,017,289	864,378	29.0	41.6	29.4	2.6	20.3	5.6	10.5	2.6
2.7	Fed. Mut. Impl. & Hard.	9,237,471	8,708,476	31.4	34.3	34.3	1.5	7.0	13.4	9.0	1.4
4.5	Fitchburg Mut. Fire	399,723	365,446	23.8	42.8	33.4	2.8	17.5	3.3	16.2	3.0
4.5	Florists' Hall Ass'n	111,209	97,901	40.0	58.0	2.0	2.4	43.5	7.7	4.1	5
3.4	Grain Dealers Mut.	8,365,952	7,707,143	36.0	36.7	27.5	1.7	17.4	5.3	9.5	2.6
8.0	Hardware Deal. Mut. Fire	10,380,522	9,483,574	28.7	32.0	39.3	1.4	1	18.2	9.7	2.6
3.3	Hardware Mut. Cas.	29,592	7,900	—	—	—	—	—	—	—	—
5.5	Hardware Mut.-Minn.	7,404,894	6,985,672	25.9	33.6	40.5	1.8	22.2	20.3	11.0	2.7
5.1	Hingham Mut. Fire	514,967	467,432	33.3	36.8	29.9	2.6	16.2	7.1	8.7	2.2
7.0	Holyoke Mut. Fire	1,506,907	1,412,745	28.2	46.2	25.6	2.4	24.9	4.1	11.9	2.9
3.7	Indiana Lumb. Mut.	6,077,282	5,656,426	34.5	36.6	28.9	1.9	17.5	6.1	7.9	3.2
3.7	(Iowa) Employers Mut.	409,736	354,435	35.0	44.6	20.4	1.0	43.6	—	—	—
3.7	Jewelers Mut.	147,533	143,768	41.0	33.4	25.6	1.6	11.1	24.4	3.2	3.1
4.5	Liberty Mut. Fire	11,517,905	9,404,921	36.5	34.7	28.8	2.2	2.9	17.7	9.9	2.0
4.5	Liberty Mut. Ins.	405,996	97,723	—	—	—	—	—	—	—	—
4.2	Lumbermen Mut. Ins.	5,403,474	4,921,740	37.1	38.8	24.1	2.0	21.7	4.5	8.1	2.5
4.0	Lumber Mut.-Boston	2,353,560	2,233,707	39.7	39.3	31.0	2.1	9.6	7.9	4.1	3.6
4.0	Lynn Mut. Fire	427,159	374,539	27.5	39.9	32.6	2.6	24.1	3.4	7.3	2.5
2.5	Merch. & Bus. Men's Mut.	828,568	974,172	27.2	147.3	220.1	2.6	225.1	49.1	16.3	9.8
3.2	Merrimack Mut. Fire	3,180,182	2,921,413	37.5	37.0	25.5	2.5	22.1	3.5	5.8	3.1
4.1	Michigan Mut. Liab.	206,615	179,497	23.4	41.0	35.6	1.0	40.0	—	—	—
3.1	Midwestern Mut. Fire	1,708,637	1,498,397	27.5	39.9	32.6	2.6	24.1	3.4	7.3	2.5
4.9	Millers Mut. Fire-Pa.	1,235,414	1,262,494	37.6	29.1	33.3	2.3	4.2	7.3	11.2	4.1
3.3	Millers Mut. Fire-Texas	2,168,896	1,931,818	49.8	37.2	13.0	1.8	19.8	5.6	7.9	2.1
3.3	Millers Mut. Ins.-Ill.	3,629,331	3,383,050	35.7	34.0	30.3	1.9	16.0	9.0	3.3	1.8
3.4	Michigan Millers Mut.	6,616,422	6,278,458	36.3	38.3	25.4	1.9	24.7	4.2	5.5	2.0
6.4	Mill Owners Mut. Fire	3,220,457	3,030,217	42.6	42.2	15.2	2.7	20.4	6.7	9.7	2.7
3.4	Natl. Grange Mut. Liab.	41,190	56,196	—	—	—	—	—	—	—	—
6.4	N. Y. Merch. Bankers Mut.	46,145	46,145	—	—	—	—	—	—	—	—
4.3	Norfolk-Dedham Mut. Fire	1,974,531	1,679,717	39.3	41.4	19.3	2.5	26.2	3.3	7.7	2.6
1.7	Northwestern Mut. Fire	15,347,457	14,123,464	29.1	39.7	31.2	2.4	24.3	3.8	6.5	2.2
3.7	Oregon Mut. Fire	3,313,807	2,776,515	33.5	37.7	28.8	3.0	11.3	7.7	12.8	2.9
3.7	Pawtucket Mut. Insur.	1,731,001	1,573,305	29.8	35.9	34.3	2.1	29.8	2.8	6.5	2.7
4.2	Penn. Lumbermen's Mut.	5,119,722	4,855,016	39.0	25.7	35.3	2.1	4.3	5.9	9.6	3.8
3.2	Penn. Millers Mut. Fire	2,956,337	2,792,801	39.3	33.4	27.3	1.8	20.1	2	6.4	2.4
5.5	Quincy Mut. Fire	3,090,631	2,653,299	29.8	32.3	37.3	1.8	19.3	2.7	6.0	2.5
5.1	Security Mut. Cas.	32,057	13,305	—	—	—	—	—	—	—	—
5.1	State Farm Mut. Auto	1,089,358	875,667	32.8	40.3	26.9	1.2	39.1	—	—	—
2.3	Suffolk County Mut. Fire	31,349	34,309	35.6	45.9	18.5	5.0	4.5	21.0	11.9	3.5
5.1	Traders Mechanics	607,264	982,231	46.2	17.7	36.1	3.3	—	2.6	18.6	10.7
3.0	Union Mut. Fire	799,338	804,754	37.2	25.9	36.9	4.3	14.2	18.5	10.7	6.6
2.9	Utica Mut. Insur.	79,593	7,900	—	—	—	—	—	—	—	—
2.9	Western Millers Mut.	1,040,294	1,057,587	42.3	42.2	15.5	3.9	20.5	17.4	2.0	2.4
2.9	Worcester Mut. Fire	2,063,008	1,871,338	32.3	40.3	27.4	2.6	22.2	4.6	8.7	2.4
3.2	Workmen's Mut. Fire	166,267	163,148	44.9	64.2	9.1	8.7	—	2.1	48.0	5.1
3.6	1948	\$116,945,450	\$104,486,099	37.3	37.6	25.1	2.0	13.6	5.2	14.1	2.7
3.6	1949	120,731,520	116,185,436	33.2	36.6	29.9	2.3	13.4	9.3	9.1	2.8
4.3	1950	138,178,687	124,572,804	31.1	37.2	31.7	2.1	13.7	9.3	9.1	2.6
4.3	1951	159,971,998	140,921,541	34.7	38.1	27.2	2.3	14.5	9.5	9.1	2.7
4.4	1952	167,801,289	153,950,919	34.4	37.6	26.0	2.3	14.8	9.1	9.8	2.6

Markel New Haven Setup

A new safety engineering area with headquarters at New Haven has been set up by Markel Service, Inc., with Gerald F. English as district supervisor of safety engineering. Frank J. Ciccarelli is named claims manager there.

Mr. English has been with Markel four years. He has seen federal government and state of Pennsylvania service. Mr. Ciccarelli was at one time claims manager for Markel at Washington, then for the past year and a half he has been with Manufacturers Casualty.

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Fireman's Fund Makes Strong Midyear Report

Fireman's Fund reports net premium writings of \$74,111,000 for the first six months of this year as compared with \$75,914,000 for the same period in 1952. Net investment income amounted to \$3,753,000 as compared with \$3,238,000. Underwriting profit was \$2,539,000 as compared with \$131,000 for the first six-month period last year. The premium reserve increase was \$5,045,000 in the first half of this year as compared with \$7,041,000 for the same period in 1952.

Earnings per share of common stock, including shareholders' equity in premium reserve, after estimated federal income taxes, were \$2.61 as compared with \$2.31 for the first half of 1952. Estimated federal income tax incurred per share during the first six months of 1953 amounted to \$1.41 as compared with 51 cents in 1952.

President James F. Crafts said the gain in underwriting profit reflects a marked improvement in the casualty business.

There was an underwriting loss in fire operations due to wind.

A summarized consolidated balance sheet as of June 30 report assets of \$285,890,985, reserve for unearned premiums of \$115,896,132, and reserve for losses and loss expense of \$71,510,813. Shareholders' equity, with securities at market value and including 35% of the premium reserve, amounted to \$60.71 per share, as against \$61.98 per share as of June 30 1952.

Liberty Mutual Makes Self Felt in O. M. Field

Liberty Mutual, which entered the ocean marine field in a small way a year or so ago, is said now to be making its presence felt after capturing a couple of sizable accounts in recent weeks. One of these was a tobacco import account of one of the large firms.

Speakers for Va. School

Speakers are announced for the insurance school sponsored by Virginia Assn. of Insurance Agents at University of Richmond school of business administration, Aug. 31-Sept. 2. Leo O. Freeman Jr., manager of Virginia Insurance Rating Bureau, will talk on fire insurance rating bureau procedures; John J. Mitchell, supervisor of the auto assigned risk plan, will talk on his situation; C. N. Shepherd, marine agency supervisor of Aetna, will talk on ocean marine; Reginald V. Spell, claims manager of Hartford Accident, on the care, custody and control exclusions; A. R. Fromm, burglary manager of F. & D., on burglary, robbery and theft; John N. Cosgrove, secretary of American, on agency advertising; Oscar Beling of Royal-Liverpool, on "A Blueprint for Profit"; Stanley B. Markel, vice-president of Markel Service and of American Fidelity & Casualty, on the outlook for motor vehicle liability and Alfred P. West, Washington manager of North America, on business interruption insurance.

Discuss New Dwelling Form

A panel discussion of the new dwelling building broad form was presented before a meeting of King County Insurance Assn. at Seattle.

Members of the panel were: Robert C. Baer, Pacific National, moderator; Roy Burlison, Swett & Crawford; Guy Hedreen, Groninger & Co., and Gene A. Harpur, New Zealand.

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Gives Analysis of Absolute Features of FR Policies

BOSTON—In construing motor vehicle liability policies under the financial responsibility laws the courts have been most liberal in favor of the injured party and the general public, Edward Earle, counsel of National Bureau of Casualty Underwriters, said in a paper given at the meeting here of American Bar Assn. insurance law section on "The Motor Vehicle Liability Policy Under Financial Responsibility Laws."

"Between the liberal construction of motor vehicle liability policies, certified as proof of financial responsibility for the future, and the greatly increased percentage of voluntarily insured automobiles resulting from fear of the sanctions of the law, the number of uncompensated injuries, due to the acts of reckless and financially irresponsible motorists, has been decreased materially," he said.

Many of the FR laws provide for certain policy exclusions and the policy is not absolute when any of these exclusions apply. The most common exclusions are those referring to injury or death of an employee of the insured for which benefits are payable under a workmen's compensation law and those referring to damage to property of others in charge of the insured, one of his agents or employees.

A permissive exclusion concerning use of the vehicle for transporting persons or merchandise for consideration has been upheld.

The policy under the FR laws is not absolute as to the limits of liability in excess of those required by the law.

A policy when absolute is so only as to claims by an innocent third party and not as to claims by the insured. Most policies provide that the insured agrees to reimburse the company for any payment made by it which it would not have been obligated to make under an uncertificated policy.

The speaker gave some examples of decisions holding the contract to be absolute. For instance, it has been held with respect to declarations by the insured that a breach of warranty as to his business or occupation, or as to his sole ownership of the car, will not avail the insurer. A misrepresentation by the insured that he had not had any previous accidents and had not had any previous insurance canceled will not be sufficient defense to an insurer. In *Farm Bureau Mutual Automobile vs. Martin*, the New Hampshire supreme court held that failure on the part of the insured to give required notice as to newly acquired car would not serve as a defense. The same court in another case refused to uphold as against injured third parties, a violation of a policy provision limiting coverage to local (in state) accidents.

It has been held that an exclusion of liability unless the car is specifically described in the policy is a nullity when such an exclusion is in conflict with the requirements of an FR law. When an insurer issues a policy on a described car and attempts to limit coverage for cars not owned by the insured to the period while the insured is the owner of the described car, it has been held that an injured third party nevertheless may recover for an accident involving a car not owned by the insured and driven by him after he had sold his own car, when the

statute requires coverage for any non-owned automobile.

An intentional act by the insured resulting in injury to an innocent third party will not serve as a policy defense. In another case an illegal act by the insured was not sustained as a valid defense. Here the insured for whom an operator's policy certificate had been filed, stole another's car and damaged it.

If in breach of his agreement to aid and cooperate with the insurer, the insured indirectly aids or cooperates with those claiming liability to them, this may be evidence bearing on the issue of liability but it has no efficacy to defeat the insured's duty to answer for such liability.

In *Polonitz vs. Wasilindra*, a Pennsylvania court had the question of whether the insurer could assert an excess provision under a certificated policy as against an injured party. The insured was driving another person's car and was covered by the other person's insurance policy. The driver's insurer maintained that they were liable only secondarily because coverage under their policy was excess, and that

the injured party could not recover thereunder until he had exhausted his rights against the insurer of the car owner. The court decided that a judgment when rendered against the insured became absolute against his insurer and the excess insurance provision should not prevail.

Under a certificated policy, the statutory provision which does not require any notice of the death of the insured will prevail over the policy provision and lack of notice as required by the latter will not serve as a defense to deny coverage to a legal representative in an action by an injured third party.

It has been held that the proof provisions of the FR law are not automatic and that no one must furnish proof until the state officer in charge tells him he must do so if he wishes to avoid the sanctions of the law. Hence, the financial responsibility laws condition of the policy does not automatically render the policy absolute and subject to the requirements of the FR law if the policy has not been issued and certified as proof of financial responsibility.

Compromise Settlement of \$360,000 in Cal. Auto Case

LOS ANGELES—Superior court approval has been asked for a compromise settlement in an automobile accident case involving payment to the victim of \$360,000, believed to be the largest sum ever paid in California in an auto case.

William B. Smith is to receive that amount in his suit for \$750,000. Court approval is asked because on Smith's death his wife, two children and a stepchild would be the beneficiaries of the award.

Smith, sales manager for a Pasadena electrical firm, was injured Nov. 8, 1952, when his pickup truck was hit near Brawley by a tanker truck. As the result of the crash he is permanently paralyzed from the neck down and is confined to the Long Beach naval hospital.

Defendants in the original suit were Elmo Scherer, tank truck driver; Mercury Transport Co., his employer; Oil Base, Inc., owner of the oil cargo on the tanker truck, and Southwest Tank Lines, owner of the tanker truck. Insurer of the tanker truck was Transport Indemnity of Los Angeles, with reinsurance in Hardware Mutual of Minneapolis.

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Calls Compulsory Liability for Aircraft Even More Unwarranted Than for Motor Cars

BOSTON—The "inherent shortcomings" of compulsory liability insurance as applied to motor vehicles make it even more "unwarranted and undesirable" when proposed for aircraft because of the latter's record of safety, Marcus Abramson, assistant counsel of Assn. of Casualty & Surety Companies, maintained in a speech before the committee on aviation insurance law of American Bar Assn.

The idea of requiring compulsory liability insurance for aircraft on the state level is not new, Mr. Abramson stated. The National Conference of Commissioners on Uniform State Laws considered the draft of a uniform aviation liability act which provided for compulsory liability insurance as long ago as 1938. The proposal was not adopted, however, and the National Conference is now considering a financial responsibility bill for aircraft.

and more costly than is necessary."

There is one fact that must be made unmistakably clear, Mr. Abramson said. Proponents of compulsory automobile liability insurance have advocated it as the complete cure for the problem of compensating victims of accidents on our highways. They claim in effect that only a law that compels every motor vehicle owner to carry automobile liability insurance, as a statutory condition to operating or permitting the operation of a motor vehicle on the public highways, will give the people 100% protection. Such a statement sounds good and it would be fine if it were accurate. The only known facts indicate, however, that it is not accurate. The Massachusetts law falls very short of 100% protection:

- (1) It applies only to accidents resulting in bodily injury or death and does not apply to property damage.
- (2) It does not apply to bodily in-

One of the most recent proposals for compulsory liability insurance for aircraft was contained in the proposed regulations announced about a year ago. These proposed regulations would have, in practical effect, imposed upon all air carriers compulsory liability insurance requirements. This proposal followed repeatedly unsuccessful efforts, going back about 10 years, to have the Congress enact compulsory aircraft liability insurance legislation. After full consideration of comments received from both domestic and foreign air carriers, insurers and foreign governments, the C.A.B. decided that it would not issue any regulations on this subject. In its announcement of this decision the C.A.B. stated "that, because of possible statutory limitations, and because the facts indicate that air carriers in general now have adequate coverage for insurance, it will not issue a regulation requiring all air carriers to show financial responsibility with respect to adequate insurance coverage to cover possible claims arising out of injury or damage to passengers and to persons on the ground."

"No doubt, the idea for compulsory aircraft liability insurance was suggested by compulsory automobile liability insurance, which first became effective in Massachusetts in 1927," Mr. Abramson explained. "Since that time compulsory automobile liability insurance proposals have been introduced in almost all the other state legislatures. Significantly, however, Massachusetts still remains the only state that has adopted an over-all compulsory automobile liability insurance law.

"Since the enactment of the Massachusetts law, such agitation for compulsory automobile liability insurance has been very strong and persistent in a number of states. What are some of the considerations that have caused the other states to refuse to follow the Massachusetts pattern?

"1. Compulsory insurance has not increased highway safety, though this was promised as a by-product of compulsory insurance.

"2. It has not resulted in more favorable rates, but rather in less favorable rates.

"3. It has resulted in continuous political pressures that are inimical to the public security and welfare, and that have made the marketing of automobile liability protection difficult

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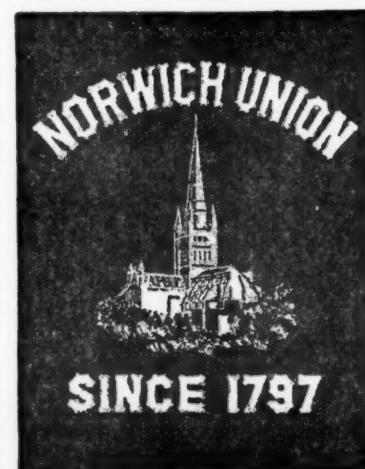
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jury or death suffered by guest occupants.

(3) It does not apply to motor vehicles registered in other states. It has been estimated that such vehicles account for approximately 5% of traffic accidents in Massachusetts and this figure runs much higher in other states.

(4) It applies only to accidents that occur on the public domain, thus excluding filling station areas, parking lots, garages, private driveways and other areas that are not publicly owned.

(5) It does not apply to accidents in which the individual causes his own injury nor where there is absence of legal liability.

(6) It does not apply to accidents caused by motor vehicles that are not registered or where no insurance is in force with respect to the car involved.

(7) It does not apply to accidents caused by stolen cars.

Some proponents of compulsory automobile liability insurance admit that the Massachusetts law and the way it is administered have left much to be desired but say they can write a better law that will correct all the faults of the Massachusetts law. That law became effective in 1927 and the state has had a quarter century to improve it. Yet, far from strengthening it, the legislators have weakened their law as a matter of sheer political necessity.

"In view of the history of the experiment in Massachusetts, I am not convinced that the proponents of compulsory insurance can have enacted and thereafter maintain a so-called model law that will eliminate or prevent the grave faults that have existed, or have been a by-product of the Massachusetts statute, for a quarter of a century."

Mr. Abramson said that many of the difficulties that appear to be inherent in the compulsory insurance law applicable to motor vehicles would likewise arise out of compulsory aircraft liability insurance. Moreover, there is much less reason to impose so drastic a remedy as compulsory insurance in the aircraft field than there is with respect to motor vehicles, because of the safety record in that field.

In 1952, there were 33,000 fatal motor vehicle accidents resulting in 38,000 deaths and 900,000 non-fatal accidents resulting in 1,350,000 injuries. The travel of motor vehicles in 1952 was 7.3.

For the year ending Feb. 11, 1953, scheduled airlines flew 13.15 billion passenger-miles without a fatal accident. In 1952, C.A.B. reported that in all air carrier accidents which involved fatalities to persons on the ground in the entire United States for the six-year period from March, 1946, to March, 1952, there were only six such accidents, including the three sensational Elizabeth, N. J., accidents.

With respect to persons in the aircraft, it is commonly believed that death is the almost invariable result of an aviation accident. Official information published by the C.A.B. for 1951 disproves this theory. Considering only accidents so severe that the airplane was substantially damaged or totally destroyed and one or more persons were killed or seriously injured (excluding non-collision incidents where the percentage would be negligible) only 17% of passengers involved in such accidents in United States domestic and international passenger operations were killed or reported seriously injured. In 1952 all the domestic air-

lines, scheduled and non-scheduled, hit a new low passenger-fatality rate of 0.37 deaths per 100 million passenger-miles and, what is more significant, they flew 210,073,358 miles per fatal accident.

There are also significant differences between aircraft and motor vehicles with respect to the vehicles themselves and their operators. The 1941 Sweeney report stated: "It is doubted if as high a degree of care is exercised in the maintenance of transportation, particularly the private automobile, as is exercised with respect to aircraft. It cannot be denied that the standard of the average pilot's qualifications is far higher than that of the average driver, or that the average plane is maintained in far better mechanical condition than the average automobile."

As to operators of aircraft, the civil air regulations require that each pilot must always have with him a valid pilot's certificate with his appropriate rating indicated thereon and also a medical certificate showing that he has met the physical requirements appropriate to his rating.

"By contrast, until this year one state did not require a motor vehicle operator's license and in that state even now no examination of the driver is required before a license is issued to him. Once an operator is issued a license, with the exception of only a few states, no reexaminations are required and licenses are renewed merely by application.

"The accident problem aircraft-wise involves a comparatively much smaller area and if compulsory insurance is an unwarranted and undesirable remedy in connection with motor vehicles, it is much more so with respect to the operation of aircraft.

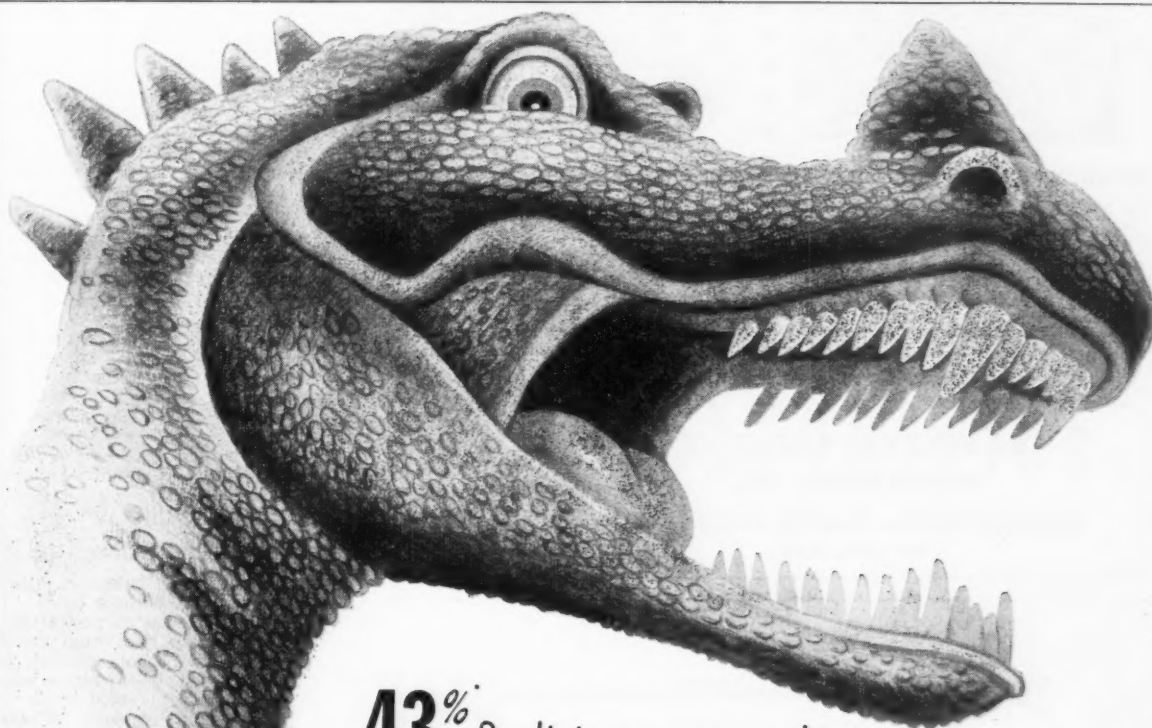
"What then should the states do to meet the problem of compensating victims of aircraft accidents to the extent that it does exist? The National Conference of Commissioners on Uniform State Laws now has before it for consideration and action a proposed 'Uniform Aircraft Financial Responsibility Act.' In essence, this follows the fundamental principles of the safety responsibility act which forty-four states have adopted for motor vehicle owners

and operators.

"Such a financial responsibility law would not compel insurance, that is to say, it would not require insurance before an aircraft may be operated. It would still preserve freedom of choice as to whether the owner or operator of an aircraft wants to protect himself by insurance. However, the law would create serious difficulties for him in the event of accident if he remained uninsured, in the form of a requirement to deposit security to cover results of that accident subject to loss of operating privilege. The prudent and responsible operator and owner under such a law will be induced voluntarily to protect the public and himself by becoming insured, and thus avoid the sanctions of the law in the event of an accident."

Rachan to Speak at S. F.

Bert Rachan, supervisor of special risks for the Continental Casualty at San Francisco, will address San Francisco A. & H. Mangers Assn. Sept. 8 on "Mortgage Protection Plan and Consumer Credit Insurance."



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Farmers New World Life New Title of Seattle Insurer

Steps are being taken to change the name of New World Life of Seattle to Farmers New World Life. This will serve to emphasize the relationship of the company to Farmers Automobile

Inter-Insurance Exchange of Los Angeles and related companies that go under the name of Farmers Insurance Group. Farmers of Los Angeles now owns control of New World. The formality of name changing will take place at a special meeting of stockholders Sept. 15.

Farm Bureau Life Company for 9 Eastern States Is in Oven

**Albany to Be Headquarters
of Farm Family Life—
Starts with \$600,000**

Farm Family Life Ins. Co. is in process of formation under the auspices of the Farm Bureaus in New York, Pennsylvania, Delaware, New Jersey, Rhode Island, Connecticut, Massachusetts and Maine. The head office will be at Albany and it will start off with \$400,000 capital and \$200,000 net surplus. This is the 10th life company to be set up as a Farm Bureau institution aside from Farm Bureau Life of Ohio which is regarded by the other Farm Bureau people as being something entirely aside and apart from the regular Farm Bureau system.

The Farm Bureau life insurance companies now in operation are those in Illinois, Iowa, Indiana, Wisconsin, Michigan, California, Kansas, Southern Farm Bureau Life at Jackson which covers several states, and Western Farm Bureau Life at Denver also covering several states. Presently, the nine companies have official Farm Bureau ties in 26 states and with the northeastern company there will be 34 states so covered.

Some 8,000 so-called charter policies were lined up during the initial development campaign for Minnesota Farm Bureau Mutual Casualty of St. Paul, which is now in full operation. This company is located at 409 Commerce building. It is the first time that Minnesota Farm Bureau has launched an insurance enterprise of its own. Heretofore, the Minnesota Farm Bureau has been more or less sponsor of State Farm Mutual Automobile. This company started off with surplus of \$350,000 and is issuing non-assessable policies. John T. Hayward, who was formerly claim superintendent of Iowa Farm Mutual, is the manager.

Municipal Liability Insurance Question in Kan.

A bulletin has been issued to municipal accountants in Kansas by W. G. Hamilton, state director of post audits, stating that the law that was passed this year permitting school districts to buy liability insurance still leaves municipalities operating vehicles in a purely governmental capacity without authority to purchase liability insurance. Such purchase is not proper expenditure and should be so commented upon in the audit report, the bulletin says.

This matter came up in Topeka and the city commissioners have taken steps to get an opinion from the attorney general's office as to how the law applies specifically to Topeka.

14 States OK Definition

The score is now 14 states that have adopted the new nation-wide marine definition to which N.A.I.C. gave its blessing last June. The effective date is Sept. 1 in all of these states except South Carolina where Sept. 21 has been designated. The parade of amendments has already started, with Arkansas including a provision that ancient and historic buildings owned by the state or one of its agencies may be covered under an inland marine policy. The states that have acted so far include Arkansas, Connecticut, Florida, Idaho, Louisiana, Nevada, New Hampshire, North Carolina, Oregon, Pennsylvania, Rhode Island, South Carolina, Vermont and Washington.

Deplores Nationalistic Trend

George Inselman, assistant manager of Marine Office of America, in ad-

ressing the insurance section of American Bar Assn. at Boston, gave the lawyers a review of current situations that are of interest in the marine field, and some interesting historical background. He touched especially on the essential necessity of free and unfettered marine insurance in the world markets to facilitate the movement of goods in foreign trade. This objective is marred by the nationalistic tendencies on the part of certain countries which tend to eliminate a free marine insurance market and this gives rise to distortions and complications. He said Hemispheric Insurance Conference is being held periodically for the purpose of fostering and promoting open door policies with respect to marine insurance.

Dry Goods People Condemn I & B Form

National Retail Dry Goods Assn. has gotten out a bulletin blasting the improvements and betterments form that is in effect in the middle west and that is currently the subject of review by a company and agency committee which incidentally is holding its first meeting at Chicago Thursday of this week.

N.R.D.G.A. advises stores to insist that the old clause be used under which the insurer considers the tenant in the event of loss in the position of sole and unconditional owner of improvements and betterments, any contract or lease the insured the tenant may have made to the contrary notwithstanding.

N.R.D.G.A. said that policies which in the past have insured a tenant against damage to and loss of improvements to leased buildings installed at the expense of the tenant are now being designed to protect the insurers from having to pay the tenant if the building owner also collects. The new clause according to this association will "do grave injury to merchants."

E. H. Forkel of National Fire is chairman of the committee of five company men that is meeting Thursday with an agents committee of five headed by A. M. O'Connell of Cincinnati.

Ewing and Doremus Are on N. J. Agents Card

Speakers for the convention of New Jersey Assn. of Insurance Agents at Haddon Hall, Atlantic City, Sept. 24-25 include Esmond Ewing, vice-president of Travelers; Fred Doremus, manager of Eastern Underwriters Assn.; George Schepens, manager of the automobile assigned risk plan; Harold Feurstein, general counsel of the agents association; Kenneth Force, editor of The NATIONAL UNDERWRITER.

No More Tornado-Only

L. E. Ellis & Co. of Des Moines, the managing general agency, announces that it will no longer write tornado insurance as a single item on farm buildings. The former liberality in the way of accommodating agents on tornado coverage where the agent was unable to control the fire line, will be discontinued. Local agents that have the tornado-only coverage are urged to go back and try to get the fire insurance line as well.

Kansas Mutuals' Meeting Set

Kansas Assn. of Mutual Insurance Companies will hold its annual meeting at Wichita Nov. 12-13.

Following the death of Mr. Buchholz, the Walter L. Buchholz agency at Defiance, O., has been taken over by T. V. Kohout.

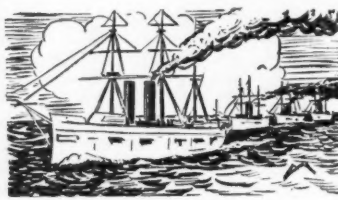
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Readers Digest Article on A. & H. Causes Headaches

The September issue of *Readers Digest*, which appeared on the newsstands Wednesday, contains an article on A. & H. insurance by John A. Appleman, that already has caused some headaches. Mr. Appleman refers to A. & H. insurance as a "black sheep" and says exclusion and exception clauses are often deceptive and misleading, are printed in small type and are frequently ambiguous, and are seldom understood by the average policyholder.

"At its worst health and accident insurance can amount to a legalized confidence game that involves browbeating the sick, the maimed and the bereaved," Mr. Appleman says. He urges buyers to read the policy thoroughly, to insist on an explanation in writing of any obscure provision, to select the agent as carefully as the buyer would choose a doctor or a lawyer, and not to look for a bargain in A. & H., since "good health and accident insurance is never cheap."

The article cites several cases in which companies did not pay because of a "technicality."

Mr. Appleman states that the business is now undergoing some reform, mentioning that National Assn. of Insurance Commissioners is aiming at nationwide uniformity of policy provisions. Some state officials, he says, are refusing to approve new policies which contain ambiguous terms. Major companies are "abandoning" deceptive clauses and other "traps for the unwary."

Moses G. Hubbard, general counsel of Commercial Travelers Mutual Accident of Utica already has written the editors of *Readers Digest* and Mr. Appleman, condemning the article and calling it misleading, unfair and an unfounded attack on disability insurance companies.

About a year ago, Mr. Appleman wrote an article about A. & H. insurance for the *Mississippi Law Review* that was later carried in the *Federation of Insurance Counsel Quarterly*. This piece was entitled "Jokers Cost Money," and was highly derogatory of A. & H. insurance. An article intended to correct Mr. Appleman's statements in the counsel publication was written by Robert R. Neal, North American Accident, and appeared in the *Quarterly* in July.

Mr. Appleman's latest article does not go quite so heavily against the business, but his description of A. & H. is one-sided. He quotes statistics on complaints and mentions cases of non-payment without describing the benefits. The industry itself was one of the strongest promoters of the new standard provisions law now in nearly all states and which requires exclusions be printed in as large or larger type than the provisions for coverage.

Mr. Appleman was one of the founders of Federation of Insurance Counsel and is a past president of that organization. He has written a 25-volume work on insurance law and practice.

News of the *Digest* article had leaked out two or three months ago, and the insurance people tried to find out who was to be the author and what was to be said, but had no success. H. & A. Underwriters Conference sent in some material to the *Digest* in hopes that this would help present the insurers' side of the story, and they got an acknowl-

edgment for that, although little, if any, of it seems to have been used. Mr. Appleman is in charge of the *Federation of Insurance Counsel* publication.

He has taken a new tack in the *Readers Digest* article in that he presents apparently information that can be substantiated, but uses the "have you stopped beating your wife?" technique.

Md. Agents Now Have But One Headquarters Man

The positions of executive secretary-treasurer and manager of Maryland Assn. of Insurance Agents have been consolidated by board action and C. K. Oakley, who has been the manager, was appointed executive secretary-treasurer with offices at 8-10 South street, Baltimore. George S. Robertson, former executive secretary-treasurer, has been retained as consultant and adviser.

Mrs. Lucille R. Iuler, Providence Washington, has been elected president of Louisville Assn. of Insurance Women. Miss Martha Tobe of W. A. Lang agency is vice-president; Mrs. Elizabeth Bales, Cooper agency, secretary and Doris Liebert, National Union, treasurer.

Big TV Set Loss at Chicago Exposed

American Surety is the insurer that is interested in the fidelity loss of Allen B. Dumont Laboratories that was caused by the 30 year old manager of the Chicago warehouse at 509 East Illinois street. The number of television sets unaccounted for may run as high as 1,000. Robert Bernard Green is the manager. He is wanted not only in this case but because he was on probation from the New York federal court for impersonating a federal officer.

He started with Dumont at Chicago as a \$75 a week shipping clerk last September. He had a way of inspiring confidence and within six months he became service manager and manager of the warehouse. Apparently most of the data on his application for employment was fictitious.

His method of operation was said to be simple. Dumont had bills-of-lading typed up in the warehouse. Green, it is said, would pull the original and all copies of certain bills-of-lading and

then the shipping list at the end of the day would, of course, be lacking those that were pulled. The Dumont office was going on the theory, of course, that they had a perpetual inventory.

Green was exposed when a truck driver went into the office of the credit manager to get a set that was located there to fill an order. He told the credit manager that there were no more of this particular type of set in the warehouse. The credit manager was incredulous and claimed that there were 70 or more of such sets on hand according to the records. When inquiries started Green disappeared. It was reported that he had turned up at Phoenix, Ariz., but this proved to be his wife whose parents live there.

Young in Tenn., W. Va. Field

Lumbermen's Mutual of Ohio has appointed Lloyd Young of Mansfield special representative for Tennessee and West Virginia with office at Nashville.

The Dean T. Ford agency at Geneva, O., has changed its name to the Crawford agency. It is operated by Andrew Crawford, Jr.

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Minn. Prison Is Covered

Insurance in the amount of \$6,724,016 has been awarded to four local agencies on the buildings and equipment of Minnesota state prison at Stillwater. This had been appraised by Robert J. Fitzgerald of Marshall &

Stevens. This was the first time that all of the farms, cell halls, etc., have been insured. Previously only the industrial properties were insured. The insurance is all in stock companies through H. & Val J. Rothschild; William H. Hite; Bachman-Anderson and E. Howard Anker Co.

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David Butler Says Voice of Frank Bell on Countersignature Not Voice of W. Va. Agents

David S. Butler of Lee C. Paull, Inc., Wheeling, W. Va., who is a former insurance commissioner of his state, writes to THE NATIONAL UNDERWRITER as follows:

We are constrained to make a reply to one of the feature articles in your issue dated Aug. 13, 1953, relating to the position of Frank R. Bell of Charleston with respect to the recently enacted West Virginia law on countersignature. It appears to us that Mr. Bell completely ignores certain basic principles which merit restatement. In the first place, we feel very strongly that the law does violence to a fundamental moral principle, namely, the workman is worthy of his hire. When a producer works hard to procure and service an account, he is certainly entitled to the commission he earns, and we think it is decidedly unfair for him to have to divide it on a basis incommensurate with services rendered with an agent who merely affixes his signature to an insurance policy to conform with a countersignature law.

In the second place, we feel that producers make a grave mistake when they attempt to write into the laws of a state anything regarding commissions. Commissions are a matter of contract between principal and agent, and producers will do their own business a great disservice by attempting to legislate the payment of commissions. It is true in West Virginia that our law did contain reference to the commission payable on fire insurance. If any amendment was in order, it should have been to have eliminated the reference from the statute rather than broaden it.

Finally, Mr. Bell justifies this inequi-

ty on the grounds that unfair practice exists elsewhere. This of all arguments seems to us most specious. His argument in essence is that because someone somewhere else is doing something that is wrong, we are justified in doing something that is wrong. It is high time that those of us who seek recognition on a professional plane should observe a high standard of ethics irrespective of what others may be doing. We will never rectify some of the existing evils in our business, which should be corrected, by adopting a "we'll do it as long as you do it" attitude. The initiative in establishing principles must be seized by men of moral courage in their own particular area and extended if we ever hope to achieve standards of lasting value.

We appeared before the legislative committees and opposed this legislation and also requested the governor to veto it. Mr. Bell's statement "that the big city agents organized a high powered lobby and from the beginning proceeded to punch below the belt" is simply not true and is the type of irresponsible statement which should be corrected.

Mr. Bell made one point in his speech that we feel merits consideration and that is that commissions should be a percentage of the premium and not on a fee basis. The rate may very properly be based on the actual service rendered.

In conclusion, while we hold Mr. Bell in highest esteem in most matters, we disagree with him radically on this particular subject and are unwilling to permit his views to be considered as representative of all the agents in West Virginia.

Mutual Agents Session on Traffic Safety Is Filled In

At the session Oct. 13 of the convention of National Assn. of Mutual Insurance Agents at the La Salle hotel, Chicago, that will be devoted to traffic safety, Ned H. Dearborn, president of National Safety Council, will lead off. The other speakers will be Charles S. Michalski, traffic engineer of Citizens Traffic Board of Chicago, on how engineering can meet the problem; Paul Jones, director of public information of National Safety Council, will speak on safety education, while Glenn V. Carmichael of Northwestern University Traffic Institute, will discuss driver licensing, and F. M. Kreml, director of the traffic division of International Assn. of Chiefs of Police, will discuss how enforcement can meet the problem. Donald S. Slutz, director of Traffic Assn. of Detroit, will talk on "Official and Civic Coordination." Ray Sheffield, local agent of Toledo, will speak on "The Responsibility of Insurance Agents." There will be an open house at Northwestern University Traffic Institute.

Cage Company Changes

Harold A. Sullens, previously an underwriter at Houston, has been appointed special agent there for Insurance Company of Texas carrying on in the absence of Troy Slaughter who is recovering from a coronary condition.

D. L. Pemberton has been appointed special agent at Lubbock, Tex., to fill the vacancy caused by the death of Thomas Atkinson. He was formerly a commercial airline pilot.

Robert Aiton has been appointed special agent at Austin. He was formerly at the Dallas head office and before that was with the Loyalty group.

L. C. Army who conducted an in-

dependent adjusting business at Baton Rouge, La., has been appointed claims representative at Miami Beach.

Rhodes Named Managing Editor of Rough Notes

Farwell Rhodes, Jr., has been appointed managing editor of *Rough Notes*. He will assume his new duties Sept. 14, succeeding W. B. Rudy.

Mr. Rhodes has been on the Indianapolis *Star* editorial staff for more than 10 years. He previously was with the Louisville *Courier-Journal* and Franklin (Ind.) *Evening Star*. He is a graduate of Franklin College.

J. C. Litcher to Head Office

John C. Litcher has been transferred from Milwaukee to the head office of American Auto to take the newly created position of superintendent, field operations. He will deal with all aspects of administration in the field offices and will meet with head office officials on agency production and branch office matters. He has been assistant Milwaukee manager since 1948; he is a graduate of Notre Dame and was in the agency business from 1933 to 1939 when he joined American Auto. He was a navy lieutenant in the last war.

Patrick Browne Joins Cage

Patrick Browne, assistant advertising manager of Aetna Fire, has gone with Jack Cage & Co. to handle public relations and advertising for Insurance Company of Texas group. He has been with Aetna five years and is a member of the executive committee of Insurance Advertising Conference. He had 20 years daily newspaper experience at Kansas City, Mexico City, Sydney, Australia; Honolulu and in China.

Must File Commissions on Group in Detail Starting Sept. 1 in N.Y.

NEW YORK—The amendments to the New York law become effective Sept. 1 which govern the established requirements for the filing of both group life and A. & H. forms, premiums, rates and commissions. Deputy Superintendent Joseph F. Murphy has called attention to the fact in a bulletin to all insurers writing such business.

Insurers now are required to file in duplicate with the department their schedule of rates of commissions, compensation or other allowances to agents and brokers. Until Sept. 1 the requirement is, on A. & H., that they file maximum rates of commission, compensation or other allowances to soliciting agents. Thus soliciting is removed and brokers added.

The changes mean companies are required to file rates of commission in detail. Payment of commissions in excess of those filed is prohibited.

The objective is to prevent payment of exorbitant commissions on all group cases but particularly on the larger ones. The department recently held a closed hearing on the matter. It is understood that union-management cases are considered in this category, and that the law as amended aims also at eliminating kickbacks, of which some are said to be going to criminal elements.

This is considered moderate legislation. If it doesn't accomplish its purpose, of course, a lot more specific and stringent legislation might be asked, though apparently neither the department nor the business wants that, since the abuses are relatively few and only a few companies persist in them.

The department has certain standards it can apply when it secures the detail the law now calls for on commissions. For example, an A. & H. insurer cannot issue group coverage which shall not appear to be self supporting on a reasonable assumption as to morbidity or other appropriate claim rate, interest and expense (section 221, subsection 6). Section 154 provides that group A. & H. policies must be just and fair and benefits must be reasonable in relation to the premium charges. The New York law prohibits sharing commissions with unlicensed persons and specifically prohibits rebates.

The revised legislation should prove salutary. Since insurers will now have to put on the record their detailed actual practices with respect to commissions and allowances, they are not likely to show the payment of large ungraded commissions regardless of the size of case, up to 20%, say, which it has been in some cases.

Plan Hearings on Idea of U. S. By-Passing Insurance

WASHINGTON—The House armed services committee plans a hearing next winter on questions raised by Rep. Cunningham, Iowa, as to (1) whether it would be feasible for the military departments to withhold or refuse payments equivalent to premiums on insurance covering private property leased to the services, and (2) how much money the government would save if that practice were adopted.

Committee staff members have notified the real estate divisions of the military departments of the committee's plan and advised them that the committee wants to get a well-rounded picture and will seek expert information

and advice from representatives of insurance interests concerned.

Committee sources indicated statistics are wanted from the military departments and data available from experts from insurance representatives. The latter will be given a hearing by the committee, according to the present plan. Statements, briefs, brochures from insurance representatives will be welcomed, it is indicated.

Besides Willis Dudley of the navy's bureau of yards and docks real estate division, the committee staff has notified Lawson Knott of the chief of army engineers office and Col. Oren Price of the air force real estate division of the plan for a hearing and the committee's wish for information.

Hold Open House at Wichita

Underwriters Salvage held open house at its Wichita branch warehouse under the direction of George Mitchell, special agent, Chicago. Assisting were Al Malchow and Ed Woodrel of the Kansas City office. Underwriters Salvage took over nearly 50 mercantile stocks from the June 21 Wichita storms.

H. A. Blinn, secretary of Wheeler, Kelly, Hagny, Wichita, is back at his desk following surgery.

Score Card on the Two Term Payment Plans

The installment payment of term fire premium plan is in effect as of Aug. 1 in 42 states and rating jurisdictions. The plan is not effective in Louisiana, Mississippi, Missouri, New Hampshire, Ohio, Texas and Virginia.

The annual renewal plan has not been promulgated in Connecticut, Delaware, Florida, Louisiana, Maine, Massachusetts, Mississippi, Missouri, New Hampshire, New Jersey, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Vermont, Virginia and West Virginia, and it has been abrogated in Maryland and New York as of Sept. 1. The annual renewal plan of North America companies is effective for use in Florida.

Thus the following states have both plans: Alabama, Arizona, Arkansas, California, Colorado, District of Columbia, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, South Caro-

lina, South Dakota, Utah, Washington and Wyoming.

The following states have the installment plan only: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont, West Virginia and Wisconsin. In Wisconsin the plan provides for only a five-year installment plan.

N. D. Hail Claims Set Record

BISMARCK, N.D.—Hail claims filed with the state so far this season are the largest since 1935 and nearly double the 1952 total at this time. The past week 250 claims were filed, bringing the seasons total to more than 7,000 in number and \$3,300,000 in amount. Commissioner Jensen said some of the latest claims are on grain damaged after it was harvested.

New Bellingham Officers

Boyd Talbott will become president of Bellingham, (Wash.) Assn. of Insurance Agents Sept. 1, succeeding Les Abshire. Clyde Rice has been elected vice-president and Anne Byrne secretary.

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Houston F. & C. Takes Interstate Commerce Commission Fight to U. S. High Court

Briefs have been filed with the U. S. Supreme Court by both sides in the appeal of Houston Fire & Casualty from the decision of the northern Texas federal court in refusing to upset the refusal of Interstate Commerce Commission to accept Houston F. & C. policies on motor carriers subject to I.C.C. jurisdiction.

The solicitor general's office, and I.C.C. chief counsel, in their brief, con-

tended that the district court correctly held that the I.C.C. action was interlocutory and not subject to judicial review.

They cite the rules providing for I.C.C. disapproval of any insurance policy which "in its judgment, for any reason, fails to provide satisfactory or adequate protection for the public."

The general practice of I.C.C. has been to require insurers to furnish

adequate information from which I.C.C. can determine their financial stability, they said. When the Texas insurance department publicized certain intercorporate financial transactions between Houston F. & C.'s parent companies, I.C.C. "properly," according to the government brief, requested data on such transactions including a financial statement of the affiliated investment company. The government counsel claim that since the three companies and the investment company were operated under joint management and control this information was necessary to an understanding of the collective statements of the three insurance companies. By refusing to furnish this information, Houston F. & C., the government counsel contend, prevented I.C.C. from making this ultimate determination. Without seeing the full financial picture, I.C.C. could not ascertain Houston F. & C.'s true financial condition, they contended. I.C.C. thus never reached the ultimate issue in the administrative proceeding—whether Houston F. & C.'s policies did provide adequate protection. Instead I.C.C. declined to accept Houston F. & C.'s policies for filing until the data was furnished. In so doing, I.C.C. didn't attempt to determine Houston F. & C.'s financial stability, the government counsel said.

Associated Employers Lloyds owns all of the stock of Inland Investment Co. The latter is an investment company only. Inland owns all of the stock of Houston F. & C. and Houston F. & C. in turn is the parent of General of Texas. J. M. Ferguson is attorney-in-fact of Lloyds and president of Inland and General.

According to the government counsel, Houston F. & C.'s argument comes down to the contention that the I.C.C. procedure was improper because I.C.C. did not have a specific rule requiring the production of the precise kind of information which was requested, i.e. a rule requiring a prospective motor carrier insurer to make available a financial statement showing the condition of a banking company owning all of the insurer's capital stock.

Houston F. & C. in its brief said that for many years it has been writing all kinds of insurance for motor carriers subject to the federal motor carrier act and has written more than \$500,000 in such business.

Houston F. & C., according to its brief, holds that I.C.C. has the discretionary power to make requirements of motor carriers pertaining to insurance "under such rules and regulations as it may prescribe." I.C.C. has prescribed insurance rules and regulations in part 174 of motor carrier regulations pursuant to numerous hearings and various reports of I.C.C. Houston F. & C. has complied with all such rules and regulations and the only rule or regulation under which I.C.C. has color of authority to act as it did is the section which empowers I.C.C. to accept or revoke certificates of insurance "if, in its judgment, such security does not comply with these sections or, for any reason, fails to provide satisfactory or adequate protection for the public." Houston F. & C. said there is no finding nor contention on the part of I.C.C. that Houston F. & C. has failed "to provide satisfactory or adequate protection for the public."

What I.C.C. has sought to do is to inquire into the financial transactions engaged in by a banking corporation, affiliate of Houston F. & C., and not into the financial stability of Houston F. & C. itself. This it is contended is

without basis in statute or rules of I.C.C. I.C.C. has issued specific regulations as to what is required of insurance carriers but has made no effort to seek to bring within its investigatory powers the baking affiliates of such insurers such as Inland Investment Co.

Apparently what prompted I.C.C. to ask for data on Inland Investment was the examination report of Associated Employers Lloyds of Sept. 31, 1950 by the Texas department, in which it is stated it is the practice of A.E.L. to make substantial loans to Inland Investment and for A.E.L. to receive payment of the loans in late December and reloan the funds in early January. On Dec. 31, 1950, I.I.C. obtained the \$1 million with which to repay the loans from a Dallas bank. In January 1951, A.E.L. sold the bonds, reloaned the \$1 million to I.I.C. and the latter repaid the note to the Dallas bank.

Position of K. C. Agent Is Clarified

From R. E. Lawrie, president of Insurance Research Service, Inc., of Kansas City:

In your issue of June 18, 1953, on page 12, appeared an article headed "Lloyds Wins Subrogation Action Against K. C. Agent". The body of the article seemed to convey the impression that Insurance Research Service, Inc. had misled the particular policyholder in question, W. H. Mason dba Yellow Cab company, by placing on his liability policy a sticker instructing the policyholder to address all matters regarding the policy to Insurance Research Service, Inc.

As a matter of fact, Insurance Research Service did not at any time in the course of the litigation raise any question whatsoever regarding the validity of any notices sent by the policyholder to Insurance Research Service. The whole question and the basis for the defense by Insurance Research was that notice of the accident and the resulting suits by the injured parties was not given to Insurance Research Service at all. Had notice been given properly to Insurance Research Service by the policyholder, the necessary steps would have been taken immediately to protect the policyholder's interest as well as the interest of the underwriters at Lloyds.

Although the question of fact as to whether or not the policyholder did notify Insurance Research Service of the pending litigation against him was resolved in the lower court against Insurance Research Service, a substantial question as to the propriety of this decision remained in the minds of the litigants. Notice was filed with the plaintiff's attorneys that the case would be appealed. It was undoubtedly because of the likelihood of reversal of this judgment on appeal that final settlement was accepted by the plaintiff in a sum equal to less than 50% of the judgment which had been allowed against Insurance Research Service in the lower court. The only reason for offering the low compromise settlement at all was to avoid the additional attorney's fees and the required funds which would have been retained in escrow for a substantial period of time, while the appeal was pending.

Gary Board Elects

The Gary (Ind.) Insurance Board has elected Fred W. Jannasch, Jr., president; Nat Stiglitz, vice-president; Joseph Joyce, secretary-treasurer, and Mrs. Vivian Jenkins, executive secretary.

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Insurance Lobbying Expenditures Listed

WASHINGTON—Reports submitted under the lobby registration act for the second calendar quarter of 1953, which are summarized in a post-session Congressional Record Appendix, contain references to insurance interests and their representatives, receipts, expenditures, and related matters, including the following:

Assn. of Casualty & Surety Companies, total receipts the quarter \$1,863; expenditures, wages, salaries, etc., \$1,403 during the quarter, \$2,130 during first quarter.

Bigham, Englar, Jones & Houston, representing American Institute of Marine Underwriters, Assn. of Marine Underwriters of the U. S., American Cargo War Risk Reinsurance Exchange, American Marine Hull Insurance Syndicate, reported no receipts, but expenditures during the quarter of \$145 and \$221 from January 1, 1953.

Ray Murphy, Assn. of Casualty & Surety Companies, received \$99.

National Assn. of Insurance Agents receipts \$2,802; expenditures wages, salaries, etc. \$3,426.48, office overhead \$512, telephone and telegraph \$305, total for quarter \$4,306, expended during previous quarters \$4,246.

J. Dewey Dorsett, Assn. of Casualty & Surety Companies, telephone and telegraph expenses \$99.

Maurice G. Herndon, Washington representative National Assn. of Insurance Agents, receipts \$61 and expenditure of that amount in that quarter and total of \$190 for the half year.

Howard M. Starling, Assn. of Casualty & Surety Companies, receipts \$150; total expenditures for quarter \$10 for travel, food, lodging, entertainment; total expenditures since Jan. 1, \$18.

John J. Wicker, Jr., Mutual Insurance Committee on Federal Taxation, reported receipt of \$1,800 and expenditure of \$1,290 for wages and salaries, \$337 office overhead, \$126 for travel, food, lodging, entertainment; total for quarter \$1,800, expended during previous quarter of year \$3,469, total since Jan. 1, \$5,270.45.

Lobby registrations submitted for second calendar quarter included that of Robert J. Bird, Cullen H. Holmes, Ivins Phillips & Barker, Washington, for Massachusetts Indemnity.

Also registered was North America, which filed statement showing its interest "in having the present Congress pass an appropriation act providing for payment of claims arising from French spoliation where claims have heretofore been reported to Congress by the Court of Claims."

Blue Cross commission expenditures for the quarter included wages, salaries, etc., \$1,750, "all other" \$316, total for quarter \$1,966, and for the first half year \$2,808.

Committee for the Nation's Health, which has supported compulsory national health insurance, reported quarterly receipts of \$14,413 and the following expenditures among others: Wages, salaries, etc., \$7,942; printed matter and distribution \$939, office overhead \$1,752, telephone and telegraph \$240, travel, food, lodging, entertainment \$569, total for quarter \$11,444; total for first quarter \$11,270, total for half year \$22,715.

Moss Joins Sayre & Toso

Claude B. Moss has joined Sayre & Toso and the affiliated W. B. Brandt & Co. at Los Angeles. He will devote

his time to production. Mr. Moss was with Brandt & Co. in 1926 at San Francisco and opened the Los Angeles office the following year. In 1944, he opened the Los Angeles office of W. H. McGee & Co., and started the Harmac surplus line agency for inland and ocean marine. Previous to 1926 he was manager of M. A. Gale & Co., a San Francisco brokerage firm.

A. R. Fredericks Scans Contract Problems

Alanson R. Fredericks, assistant general counsel of American Surety, gave a paper at the American Bar Assn. insurance section meeting at Boston on "The Impossibility of Performance of Construction Contracts."

In cases where the contract calls for erection of a building which is destroyed before completion without fault of either party, he said it is universally held that the contractor must redo that which has been destroyed or injured and then complete the job or respond in damages. However, if the contract calls for work on an existing building that is destroyed before the contractor is finished, the opposite result is generally reached. There is read into such a contract an implied condition of the continued existence of the building as being within the tacit contemplation of both parties.

Contracts for excavation, laying of pipes, etc., are generally strictly construed against the contractor even where soil conditions and rock encountered render a job much more burdensome and expensive than originally contemplated.

If completion of a contract is delayed beyond the scheduled date, the increased cost is generally thrown on the shoulders of the contractor, regardless of whether the owner is at fault. That weather is weather and will be unpredictable is an implied condition of which any court will take judicial notice.

When a question can be raised as to the plans and specifications, an attorney for a contractor may find surcease from the excess costs of his clients' contracts. Where the plans and specifications are prepared by the contractor, generally he cannot escape responsibility for defectiveness of the work which is impossible to correct under such plans and specifications. Wide divergence of views exist where, as in the usual case, the owner prepares the plans and specifications.

The contractor who builds according to the owner's plans is not responsible for the sufficiency of the work even though the contractor is a specialist.

Where the contractor agrees not only to follow the plans and specifications, but also guarantees to produce the desired results, he is liable even though the result itself is impossible to achieve.

Malpractice Line Sours

Indicative of the steadily worsening trend in the field of malpractice insurance for physicians and hospitals is the report that Aetna Casualty, which is a principal factor in this field, is applying strict underwriting rules. Some of the branches have sent out notices that insurance will be written or renewed only for risks that emanate from an established Aetna producer and that is not brokered with him by a stranger to the company. Also Aetna is requiring good collateral business.

By mutual agreement, the Hargreaves & Orkney agency of Yakima, Wash., has divided into two separate firms now operating as Orkney & Orkney and Hargreaves & Junker.

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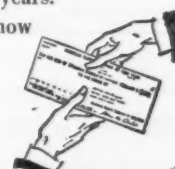
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Cites Distinction Between Effect of Inflation and Pie in the Sky Jury Verdicts

Vice-President J. T. Blalock of Pacific Indemnity, in addressing Exchange Club of Los Angeles as a representative of Western Insurance Information Service, said there must be a change of attitude on the part of jurors if the reckless driver is ever to be curbed. Jurors, he said, must stop rewarding careless drivers.

Insurance men get the jitters when they hear about the excessive verdicts that juries have been handing down. In Brooklyn, for example, the aver-

age jury verdict in one decade has gone up from \$3,603 to more than \$10,000. A woman at New York got \$36,000 for a broken hip. During 1940 the highest verdict awarded in Los Angeles for personal injury was \$33,000 while a decade later the highest was \$115,937. San Francisco has become the country's "most notorious claims heaven" and as a result insurance costs there are the highest in the west. In the first six months of 1952 the average judgment in Los Angeles county was \$6,423, whereas for the first six months of 1953, the average judgment in San Francisco county was \$9,194.

He said that plaintiffs' lawyers try to propagate the idea that the higher

verdicts are the result only of inflation. Insurance men, of course, realize the impact of inflation but this is felt equally in San Francisco and Los Angeles and the difference of \$3,000 between the average verdicts in the two places can only be attributed to the excessive verdicts in San Francisco, and the people of San Francisco pay the difference in higher insurance rates.

To see how far the bottomless barrel or pie in the sky operation of juries can take the premium-payer, he pointed out that in New York insurance rates for class 2 is \$396.

Emmco has been licensed in California.

Fire Association Has Good Gains at Midyear

The Fire Association group reports a consolidated statutory underwriting profit of \$165,992 for the first six months of 1953, after providing for an increase in premium reserve of \$1,097,404. This compares with an underwriting profit of \$140,410 for the same period in 1952. Net premiums increased in all major classifications, the total being \$18,892,875, an increase of \$1,265,220, or 7.2%. During the same period, the consolidated net investment income amounted to \$1,031,338 compared with \$940,932, an increase of 9.6%.

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"WE ARE WHAT WE DO"**Glens Falls Premiums
Up 11% in Half Year**

The operating results of the first six months of 1953 for the Glens Falls group show a gain of 12.6% in net premiums written, an increase of 10.9% in income from investments, not including capital gains, while the net amounted to \$1.61 per share as compared to \$1.24 for the same period of a year ago.

Premiums written totaled \$37,985,938, an increase of \$4,252,191. Earned premiums amounted to \$34,601,406 compared with \$30,278,174 for the first six months of 1952. Incurred losses increased to \$19,511,340 from \$17,354,009, and expenses were \$14,888,081 compared with \$13,573,971 for the same period of last year. Income from investments amounted to \$1,254,144, not including capital gains.

The consolidated capital, surplus and voluntary reserve, including Glens Falls Corp., amounted to \$32,179,351, compared with \$34,017,624 as of Dec. 31.

The increase in premium reserve was \$3,384,532 for the six months period.

**L. J. Carey Notes TDB
Law Spread Not Heavy**

L. J. Carey, vice-president and general counsel of Michigan Mutual Liability, reported at the American Bar Assn. insurance section meeting at Boston, as chairman of the committee on compulsory non-occupational disability benefits laws. Among the factors that have deterred the rapid spread of such laws, he said, are the phenomenal spread of voluntary benefit plans and the objection to compulsory legislation of any type by some insurance people, doctors and business groups. He noted that it had been 10 years since Rhode Island first passed its law and since then the only states that have followed are California, New Jersey and New York.

The trend in bills introduced recently appears to be away from plans providing for an exclusive state fund. In 1947 three-fourths of the bills introduced were of the exclusive state fund type and by 1951 there were less than one-half and by 1953, less than one third that proposed this type.

In this kind of legislation, as in workmen's compensation and unemployment compensation, there is a constant clamor for amendment. More than 100 bills were introduced in 1953 to amend the laws now in effect.

R. C. Sleeper Now Partner

Richard C. Sleeper has been admitted into partnership in Insurance Buyers Council of Harwich Port, Mass., of which his father, Dwight W. Sleeper, is chief consultant. Richard Sleeper has been field engineer in charge of Baltimore-Washington area for three years. He graduated from Purdue and recently got the C.P.C.U. designation. Both he and his father hold the only licenses issued in Maryland to certified insurance advisers. The elder Mr. Sleeper has a similar license for Massachusetts.

Flischel Joins Cinti. Ins. Co.

Bernard Flischel has been appointed special agent in Ohio for Cincinnati Ins. Co. General Manager Robert A. Crosby continues to travel throughout the state.

John L. Gumbel Makes Change

John L. Gumbel has joined Universal Underwriters Agency of Seattle which provides domestic and London surplus line market through agents and brokers and just recently opened a full scale marine department. Mr.

Gumbel was formerly in the Lloyds department of D. K. MacDonald & Co. at Seattle. He started at the head office of General Accident, then in 1947 went with the adjusting firm of Morrell P. Totten & Co. of Seattle, and he has been a D. K. MacDonald man since 1949.

**Offer Plan for Handling
Installment Contracts When
Representation Discontinued**

LANSING, MICH.—A proposal for uniform handling by members of Michigan Assn. of Insurance Agents of outstanding installment contracts when company representation is discontinued has been submitted for consideration prior to probable adoption of a resolution at its coming convention.

The proposal, which would be submitted to Commissioner J. A. Navarre for departmental approval if adopted, would provide for rewriting the business in another company represented by the agency if the original insurer was discontinued for any reason.

It emphasized that agents' first obligation is to the public and installment contracts, made in good faith, must be continued in force to normal expiration. Hence this procedure is recommended:

"Following termination of an agency agreement, it would be permissible to issue a new policy in another company of the same agency for the unexpired term. To be consistent with existing rules of cancellation it would be advisable to accomplish rewriting at the first anniversary date following the agency agreement termination. The new policy would be only for a term equal to the unexpired installments of the original policy.

"To prevent transfer of policies in instances other than this particular situation the companies would desire a written acknowledgement of the terminating company and written acceptance of the new company be provided the audit division of the inspection bureau."

Plans Are Made for Neb.**Agents Annual Convention**

Plans are announced for the convention of Nebraska Assn. of Insurance Agents at Hotel Fontenelle, Omaha, Oct. 29-30. Many, it is expected, will stay on for the K.U.-Nebraska football game Oct. 31.

On Oct. 29 the convention will consist of a school conducted by Curtis M. Elliott, University of Nebraska professor, with the morning devoted to the equipment dealers floater and the afternoon to time-element coverages.

On Oct. 30 James C. O'Connor, executive editor of Fire, Casualty & Surety Bulletin, will speak on "Trends in the Business." There will be a panel on the tornado disaster at Hebron, Neb. There will be a past presidents' dinner Oct. 29. Membership has gone up from 570 to 652 during the year.

Ft. Scott Insurers Report

Western Casualty & Surety, at June 30 reports assets of \$23,159,107, which was an increase of \$1,206,208 for the first six months. Surplus to policyholders was \$5,562,286, an increase of \$119,488. Net premiums written were \$9,406,404 which was an increase of \$1,155,534 over the first six months of 1952.

The affiliated Western Fire had assets \$12,118,348, increase \$654,097; surplus to policyholders \$3,828,913, increase \$81,790; net premiums written \$5,060,856, increase \$392,167.

Peters in Hoosier Post

Edward J. Peters, formerly of the Maryland insurance department, has joined the consulting actuarial firm of Haight, Davis & Haight at Indianapolis.

General Motors Experience Being Assayed Carefully

(CONTINUED FROM PAGE 1)

area was protected by automatic sprinklers. The principal was to install sprinklers only in those areas occupied by combustible contents, but it is understood that a recommendation to install sprinklers in certain additional areas was getting favorable consideration.

An independent plumbing and heating contractor, who was also an insured of F.I.A. under a builders risk policy, was replacing a 2-inch condensate pipe with 3-inch pipe. He was on a ladder cutting out an overhead section of 2-inch pipe with a welder's torch. Nearby was a tank 16 x 18 inches of 400 gallon capacity containing cleaning and rust preventive solution. The latter was understood to be oleum spirits which has the hazard of kerosene. This tank was protected by automatic CO2 devices. A conveyor passed parts through this tank and out over a drip board. The cleaning solution in this drip board trough apparently became ignited by sparks from the welder's torch.

Employees tried to extinguish the fire on the drip boards with dry powder and CO2 extinguishers and almost succeeded in controlling it. After some 15 minutes of fighting the fire during which hot gases and smoke accumulated, objects such as cables began to drop from the ceiling and asphalt from the roof began to drip down. The area became untenable and those fighting the fire had to get out. Some of the witnesses said that at this point the contents of the 400-gallon tank had not yet ignited, probably because of the protection afforded by the CO2.

As the hot gases continued to accumulate, apparently they ignited oil sumps on machine tools and other cleaning and quenching tanks and spot fires began to occur throughout the area. Within about 1½ hours the fire covered the entire area and during much of this time and after the situation was such that firemen were unable to enter. It is impossible effectively to fight a fire in such a plant from the outside. Some of the firemen who did attempt to enter were overcome and had to be carried out.

Perhaps the prize understatement of an insurance man in regard to the General Motors fire on the following Monday was: "Well, we paid out more than we took in last week."

An actuarially minded fire insurance man opines that Livonia township has the world's record on per capita fire loss. Besides the General Motors fire, there was the fire to the big Ford plant there about two years ago that is estimated at some \$10 million and that prompted Ford to become insured again. Ford for a long time was insured with the Factory Mutuals. Then it went the self-insurance route. After the Livonia fire, it went with Factory Insurance Assn., and now the Ford contract is up for bid. The presidents of all the Factory Mutual companies went to Detroit a few weeks ago—9 strong to survey various aspects of the Ford risk. There is no secret to the fact that Ford is in a far inferior bargaining position to what it was before the G. M. fire.

Many of the top industrial concerns have had a rather supercilious attitude towards insurance. Some of them have said in airy fashion that they weren't interested in the indemnity provided

by the insurance companies, but they were simply willing to pay the inspection service which they granted was worth while. There will be very little of that kind of talk heard for a long time.

Prior to the General Motors loss the biggest loss suffered by Factory Insurance Assn. was the big R.F.C. rubber risk at Fall River, Mass., in 1941. That loss exceeded \$5 million. The biggest loss of the Factory Mutuals was the Brach Candy Co. in Chicago that cost \$3 million physical damage insurance and \$3 million U. & O.

Fidelity-Phenix of the America Fore group gets the distinction of having had the policy on the \$28 million of principal coverage. Fidelity-Phenix was the issuing company for F.I.A.

General Motors became interested immediately on some \$10 million of floater insurance on machinery that was being removed from the Livonia plant and sent to various machine tool factories for renovation. It was determined that the general transportation floater of G. M. would not cover this.

The low level roof caused the heat to become magnified and it is said that the temperature was 1,500 to 2,000 degrees at the ceiling. This was like a frying pan. The fire department's hose stream could penetrate about only 80 feet into the building.

The question was what would have happened if the place had been sprinklered throughout. Some opine that with this kind of construction and this huge open area the effect would have been doubtful. Some observers say that if more than 75 heads open there is a dry fire, and the building is gone. A more effective protection might be concrete roof. The low, even roof construction is what was favored by the army during the war and its popularity has kept up until now at least. As a result of the General Motors fire the engineers are making critical studies of this.

Although the Factory Mutual com-

panies escaped participation in the Livonia loss, despite the fact that it is reported they have some \$300 million of liability on other General Motors plants, yet they will not be getting off scotfree by any means. London Lloyds will be paying perhaps 35% of the Livonia loss and that means that the rates for Lloyds covers are bound to be jacked up not only for the stock companies, but also for the Factory Mutuals. Lloyds, of course, will get its money back one way or another with a loading and the Factory Mutuals will no doubt feel the repercussions.

Adding insult to injury in the estimation of many fire insurance men, especially in the middle west, was the \$3,200,000 lumber yard fire at Cleveland just after the General Motors loss. Especially glum were the insurers that had sizable lines at Cleveland. A loss in the range of \$3 million is still a wallop of first dimensions even though it comes in the shadow of one 10 times as bad.

The General Motors fire is bound to be a powerful deterrent to extension of self-insurance on the part of huge industrial enterprises. It is the No. 1 demonstration of what can't happen here and does happen here in unpredictable places and with consequences that can be almost ruinous. There is nowhere the head of an industrial enterprise that would want to be standing today in General Motors' shoes without having had insurance. Even though some sort of a statistical case might be made for self-insurance over a long term, management would have to talk fast to compose irate stockholders when a blow like this struck. Hard headed management is going to keep the General Motors object lesson well in mind whenever a self-insurance theory is spun.

NAIC Unauthorized Insurers Law Gets OK

(CONTINUED FROM PAGE 1)

physician on Maddox's death. Later, Iowa State Traveling Men's advised Mrs. Parmalee's counsel that her claim had been allowed and ordered paid under the limited liability provision of the contract and a draft for \$500 was forwarded.

Iowa State Traveling Men's attacked the constitutionality of the statute as a denial of due process of law. The court of appeals said during recent years the courts have evidenced a marked departure from the former resort to the fiction of "consent" evidenced or implied by concepts of "presence" of the corporation within the state. The controlling weight sometimes given to the place of contracting or performance in determining the power of the state to regulate has likewise been disregarded.

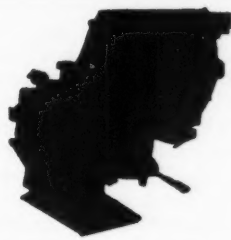
Other fairer standards, though these are far from perfect, have been developed and established. The basic ques-

tion is one of due process and due process requires only that in order to subject a defendant to a judgment in personam, if he be not present within the territory of the forum, he has certain minimum contacts with it, such that the maintenance of the suit does not offend "traditional notions of fair play and substantial justice."

In this case such a concept must be developed and performed in consideration of the rights provided and declared by the statute as to insurance contracts held by citizens of the state in the light of the end sought to be attained, that of securing adjudication of the insured's rights under contracts on insurance in the Florida courts.

It cannot be disputed that Florida has the power within constitutional bounds to prescribe the terms upon which insurance may be placed and kept in force upon its residents. It seems clear that as to policies held by residents of the state which are issued and delivered to them in the state by insurers not authorized to do business there, the legislature in the exercise of its power to protect such residents established and defined for the purpose of the statute what constitutes doing business in the state. The statute evidences a plan which the legislature found was necessary for the protection of its residents who became insured in the manner referred to in the statute. It is a declaration of the state's public policy that its residents should not be faced with "the often insuperable obstacle of resorting to distant forums for the purpose of asserting the legal rights under such policies." The means adopted reasonably remove such obstacle and protect those for whom government has a legitimate concern. Subjection to process and jurisdiction directly relates to the accomplishment of the permissible legislative aim and is necessary to accomplish it.

Dr. Louis Reuter will speak on "Cartilage Injuries, Primarily of the Knee" at the Sept. 14 meeting of St. Louis Claim Men's Assn.



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EDITORIAL COMMENT

Flash Bulbs Indicated

If the stock fire insurance companies don't take the fullest advantage from the opportunity to get legitimate publicity in connection with the payment of the General Motors loss, they might as well proceed to liquidate their various activities that are labeled public relations. Here is the largest single risk insurance loss that has ever occurred anywhere in the world. It has engaged the attention of the whole country, and is a situation in connection with which there is a natural appetite on the part of the public for additional information. Editors recognize its news value; we don't think much of a selling job would have to be done to persuade the newspapers and publications such as Life magazine,

to present in a prominent way pictures of the passing of insurance company checks to General Motors in satisfaction of this historic loss.

The insurance business has done precious little to take advantage of the truly dramatic and attention-getting situations that are involved in loss payments. In the long run, of course, it is not the pictures and the ceremonies that count, but the reputation for stepping up year after year, to pay all losses small and gigantic that gives the insurance business its character and position.

Nevertheless, it would appear to be unforgivable not to set off some flash bulbs when this \$32 million check changes hands.

An Absurd Requirement of the N. Y. Law

The arrogant absurdity of some parts of the New York insurance law was never better exposed than in a recent decision handed down by Justice Hecht in the New York county supreme court.

In this decision—Guardian Life against Bohlinger—Judge Hecht upheld the contention of the New York insurance superintendent that the law prohibits Guardian Life from using as a home office a site it had purchased in White Plains, a suburb of New York City, unless it obtains the superintendent's approval. Mr. Bohlinger thought it wasn't a good site for use as a home office, even for the temporary use that Guardian was planning. He denied approval and Guardian brought suit. We hope the decision will be reversed on appeal.

Though the decision deals with a life insurer, it is equal concern to all companies domiciled in New York state.

The law doesn't merely give the superintendent the power to intervene when he can give convincing evidence that a company is making demonstrably unwise use of policyholders' funds if it goes ahead with its home office plans. According to Judge Hecht, the law means that the superintendent "must have his own judgment satisfied that the investment is a wise one."

Consider what it means: If Judge Hecht has construed the law correctly, it means that the superintendent, in addition to his other duties, must be a real estate expert of such stature that he can conscientiously rely on his own judgment even when it runs counter

to the combined judgment of an insurance company's officers, directors, staff real estate experts, and outside consultants.

It is not enough that the superintendent rely on the opinions of department advisers or independent consultants. If he were ever on the legislative carpet because some home office site he's approved turned out conspicuously sour, he could hardly get out from under—if Judge Hecht is right—by saying, "Shucks, I'm no real estate expert. I relied on a firm of consultants that I thought knew their business but I guess they didn't."

No, if Judge Hecht is reading the law aright, the superintendent "must have his own judgment satisfied that the investment is a wise one." And obviously that would pose an impossible requirement for any conscientious superintendent who hadn't had long experience as a successful real estate man. As a practical matter, if he were enough of an expert to be smarter than the combined talent in and available to an insurance company home office he'd be making so much money that there'd be scant chance of attracting him into the job of insurance superintendent.

So, under the law as interpreted by Judge Hecht we have this absurd situation: A superintendent conscientious enough to want to have his own judgment satisfied would also be conscientious enough to realize that he lacked the experience and expert knowledge to permit him to arrive at a valid opinion. Hence, assuming New York

keeps on having insurance superintendents who are both conscientious and unversed in real estate, Judge Hecht's interpretation of the law means that there can be no more approvals of home office sites until his interpretation is reversed or the law is changed.

The very preposterousness of this situation should result in quick relief, if not by reversal of Judge Hecht's decision then by an amendment to the insurance law. If the state finds it necessary to put a check on purchases of land for home office buildings, it should at least put on the superintendent the burden of proving the unwisdom of the proposal. It should not be possible, as it is now, for the superintendent to sit back and wait until, in his subjective judgment, the company has demonstrated that its proposed move is a wise expenditure of policyholders' money.

Said Mr. Bohlinger in denying approval to the Guardian's proposal:

"The petitioner has not demonstrated that its present quarters are inadequate for the convenient transaction of its business or that economies in the best interests of policyholders will flow from such acquisition."

No wonder that Guardian, as quoted in Judge Hecht's opinion, complained that this and other findings of the superintendent are "an attempt by respondent to usurp management's function and to substitute his sole judgment for the combined judgment, business experience and legal responsibility of petitioner's officers and directors."

But, says Judge Hecht in his opinion, "that is precisely the function and responsibility which the statute imposes on the superintendent. The report of the Armstrong committee indicated that insurers had wasted policyholders' money by unwise acquisitions of real estate for company use. The statute was amended to cure that evil. The requisite approval by the superintendent is not intended to be a mere ministerial act of reviewing the judgment of the insurer's directors and officers. The superintendent, as the representative of the policyholders' interest, must have his own judgment satisfied that the investment is a wise one. Assuming, without deciding, that the superintendent's action in the premises is subject to judicial review, I find that there is adequate support in the record for his determination herein."

In its life insurance investigation of nearly half a century ago, the Armstrong committee turned up some abuses that badly needed correcting. But like the over-lenient father who suddenly gets tough with the wayward son who has gotten into a jam, the New York legislature went to vindictive extremes in putting shackles on

the life companies, restricting them severely in countless ways and making nearly every permissible activity subject to insurance department approval. Many of the more unreasonable restrictions were removed or liberalized but the Armstrong law's atmosphere of suspicion and restraint has to an unfortunate extent continued in the insurance law and not just that part of it that affects life insurance, either.

Not only does the law put too much power into the department's hands but so much is left to the department's discretion that regulation of the insurance business tends to become government not by law but by men. There are so many areas of operation in which the department man's judgment as to what a company can do and can't do is controlling that it is all too easy for him to inject himself into matters that are properly the function of management. And where legal power is lacking to enforce the department's wishes on a certain point the company is quite likely to give in for fear of irritating the department people into a "get tough" attitude in other phases of its operations, in which departmental approval is, under the insurance law, the sole criterion of legality. Even though it could be shown that this fear of retaliation is unfounded, it is wrong in principle for a law to leave the way open for it.

In the Guardian Life's suit against Mr. Bohlinger, incidentally, there was a somewhat out-of-the-ordinary circumstance but it does not affect the basic consideration of the superintendent's power to override the collective judgment of a company on the selection of a home office site. This circumstance was the fact that the company had been unable to find a suitable location in Westchester county (in which White Plains is located) as a site for a permanent home office building. In the meantime it was seeking to rent office space there on an interim basis but had been unable to find space at reasonable rentals.

The company had previously acquired for investment a site in White Plains. This it could do under the law without departmental approval. It decided to use this property pending the eventual acquisition of a new home office building in the same area. However, Judge Hecht ruled that even on an interim basis the use of the site acquired as investment would necessitate getting approval from the superintendent. He said even though there was no question of good faith on the part of the company in acquiring the site as an investment and later deciding to use it for home office purposes, approval was necessary, since otherwise "there could be circumvention of the statutory

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requirement that the superintendent must approve acquisition of real estate for company use."

But the real issue is: Why should the law put the superintendent in the position of having to be a hot-shot real estate expert capable of exercising superior judgment to that of an insurer's officers, directors, and the expert talent available to them?

PERSONALS

Bobbs-Merrill Co. announces publication of a 440-page book by **George Edgar Turner**, who

for many years was a prominent figure in the insurance business. "Victory Rode the Rails—the Strategic Place of the Railroads in the Civil War" is the title. Mr. Turner now resides at New Castle, Ind. Years ago he was head of the old Casualty Information Clearing House at Chicago. Then he was at Hartford as president of First Reinsurance Co., and later for several years was in Chicago as the administrator of the Casualty Acquisition Cost Conference rules in Cook county. Mr. Turner incidentally is going to be at Chicago Union League Club Sept. 15 to address a joint dinner meeting of the U.L.C. Round Table and the Chicago Civil War Round Table, to which the railroad executives will be invited. On Sept. 17 he will address a dinner meeting of the Civil War Round Table of Milwaukee.

The book sells for \$4.50 and the publisher states that it gives a fresh approach to the Civil War through its little-known railroad history. There is new emphasis on strategic maps; there is a reevaluation of the strength of both sides and their generals and thrilling tales of what was done with broken down locomotives, worn-out tracks and bridges of cornstalks and beanpoles. Year by year, campaign by campaign, Mr. Turner, according to the announcement, tells the lively, little-known railroad history of the war. Overwhelming strength came out of the rolling mills and locomotive works and "Victory Rode the Rails".

James R. Coulter, field-supervisor of the fidelity and surety department of Travelers at Chicago, suffered what appeared to be a heart attack in the office and was removed to West Suburban hospital at Oak Park, Ill., where it was found that his condition was caused by ulcers and not his heart. He is progressing nicely.

Stewart E. Wentworth, independent adjuster of Rock Island, Ill., has been elected a director of Rock Island Building & Loan Assn.

Edward C. Holden, Jr., vice-president of U. S. Protection & Indemnity agency, New York City, has been promoted to rear admiral in the naval reserve.

John L. Wilds, who was just recently elected chairman of Protection Mutual of Chicago after having served as president for many years, has bought a house in his native city of Darlington, S. C., and expects to move there from Kenilworth, Ill., in the near future. He will go north especially for the board meetings of the various in-

surance companies of which he is a director, including, besides Protection Mutual, Union Mutual Fire of Providence, Mutual Boiler and Appalachian. Mr. Wilds was born at Darlington and graduated from University of South Carolina, and then after attending Massachusetts Institute of Technology, started with the Factory Mutual Companies in 1911.

Arthur J. Lindsley, who has been elected president of Benefit Assn. of Railway Employees of Chicago, has been the executive vice-president for the past 15 years and is the remaining member of the original group of founders of the association in 1913.



Arthur J. Lindsley

Harry A. Grant, Jr., western marine manager of Boston at Chicago, is recovering at Elmhurst hospital from the effects of a heart attack. He will probably be kept away from the office for about three months.

Emil S. Tachau, for many years head of the old E. S. Tachau & Sons agency, Louisville, and founder of Louisville Fire & Marine, is the last survivor of 15 incorporators of the Jewish Hospital there, which has just laid the cornerstone of a new building to cost \$2,649,473, and be a part of a new medical center.

Michael T. Kellener, vice-president of Marsh & McLennan at Boston, has been named as a member of the business and industry advisory committee of New England Colleges Fund. This is a vehicle set up by 23 colleges to seek gifts from business and industry.

Casper S. Gardner of Owensboro, Ky., former president of Kentucky Assn. of Insurance Agents, has been appointed city commissioner of Owensboro in charge of finance and public safety, to fill a vacancy. He will become mayor of Owensboro in January, as he is unopposed for that office in the November election.

DEATHS

One of the most distinguished and longest careers in the local agency

business at Chicago came to a close in the death of **CLARENCE S. PELLET** at Presbyterian hospital there. His age was 88. He had been active in the business until just a week ago and his mental faculties and vigor were remarkable. Indicating the length of time during which he was an influential factor in the business is the fact that he was president of Chicago Board in about 1901. He also at one time had the duties of manager of the board. Clarence Pellet was connected with the agency of Pellet & Hunter.



Clarence S. Pellet

When the death of his father, Oakley B. Pellet, interrupted his education for the law, he took his place in the agency. When the local and general agency activities of Pellet & Hunter were separated Mr. Pellet stayed with the local end of the business. He became a part-

ner in the firm of Fleetwood & Pellet. Both members of that firm had been with the old Pellet & Hunter agency. Fleetwood & Pellet consolidated their interests with the Critchell-Miller office in 1908 and in 1943 on the death of Lyman M. Drake, Sr., Mr. Pellet became the senior partner of what was then Critchell, Miller, Whitney & Barbour.

Mr. Pellet had been a trustee of Beloit college since 1901. He was an alumnus of that institution. He had been a director of Chicago Theological Seminary since 1910 and he was a former president of Union League Club of Chicago, and was the first president of Union League Foundation for Boys Clubs. He was also a former president of City Club of Chicago.

His son, Fred Pellet, who was with the Critchell-Miller agency, died just recently. One of his grandsons, Gilbert Pellet, is with the agency.

E. F. STRATEGIER, 58, fire underwriter for Perkins & Geohegan in Cincinnati, died. He had been in fire insurance work in Cincinnati 42 years, starting with Frederick Schmidt Co. and going with Perkins & Geohegan when it took over that part of the Schmidt agency's business.

CARL C. COATES, 70, retired supervising engineer at Chicago for Standard Accident, died there. With Standard Accident since 1914, Mr. Coates was retired under the company's plan in 1949. He traveled extensively in the east for the company and was also formerly supervising engineer at Milwaukee.

JOHN M. LORD, 35, assistant vice-president of Johnson & Higgins at Chicago, was drowned Sunday while spear fishing at North Bay, Wis., near Bailey's Harbor, on Lake Michigan. Mr. Lord, and a friend with whom he was staying, were about 200 feet offshore, equipped with swimming fins, aqualungs, and spear guns. Suddenly Mr. Lord shouted, waved his arms and sank from sight. His body was recovered 20 minutes later.

Mr. Lord had taken up an interest in underwater swimming after reading a book entitled "The Silent World," written by a Frenchman who has developed aqualung swimming.

The accident was witnessed from shore by Mr. Lord's parents, Mr. and Mrs. John S. Lord. John S. Lord is senior partner in the Chicago law firm of Lord, Bissell & Kadyk, Illinois attorneys in fact for London Lloyds.

John M. Lord attended the University of Wisconsin, and then for two years was an accountant with Chase Conover & Co. at Chicago. He joined Johnson & Higgins in 1940. He served in the army air force during the war for three years, returning to J. & H. in 1945.

ALBERT L. SMITH, 32, Montreal manager of Markel Service of Canada, died at his home there.

RUSSELL F. NELSON, 59, Iowa state agent of Springfield F. & M., died at Des Moines of a heart ailment after an illness of about a year. Mr. Nelson had been with Springfield since 1947, before that having been with Dubuque F. & M. in the Iowa field. He started in the field with a local Iowa mutual.

J. W. KIRKPATRICK, president of the Kirkpatrick-Sursa agency of Muncie, Ind., died at the age of 82. He would have been in the insurance business 50 years in 1954. He had in the past been associated at different times with P. K. Morrison and Edward Blue. In 1923, he formed a partnership with Charlie

Sursa, who died two years ago. The firm, now a corporation, continues.

Mr. Kirkpatrick had been twice president of Muncie Insurance Board and had once been president of Indiana Assn. of Insurance Agents. At his death he was president of Mutual Home & Savings Assn., the second largest building and loan association in Indiana. He was vice-president and director of Industrial Trust & Savings Bank, which had been organized by the late Mr. Sursa.

GEORGE B. GERNSBACH, 48, vice-president of Schiff, Terhune & Co., New York City brokerage firm, died of a heart attack in Boston while he was boarding a ship for Yarmouth, N. S.

MRS. OLIVE STEVENS, wife of J. Warren Stevens, district group supervisor at Chicago for Travelers, died there.

W. C. PAYNE, 77, former local agent at Campbellville, Ky., died there. He retired eight years ago.

GEORGE O. WISE, formerly with Sheffer-Cunningham, Wichita adjusters, previously with Ohio Casualty and Travelers at Wichita, died suddenly following a heart attack. At his death he was in insurance law practice at Wichita.

E. J. SIMMONS, Lawrence, Kan., local agent, died unexpectedly at the age of 58.

WILLIAM A. BRUCE, 57, vice-president and general manager of Capitol Mutual Fire, Webster Groves, Mo., died at Richmond Heights. He had been with the company for 20 years.

King Names Statistician

Interbureau Insurance Advisory Group has named Hugh P. King statistician. He has B.S. and M.B.A. degrees from New York University in economics and statistics and is president of NYU chapter of Delta Pi Sigma, statistical honorary fraternity. He will supervise all of the statistical research work of the group in support of the development of combination peril policies.

Tenn. Schools Underinsured

"The cost of insuring school property in Tennessee could be reduced \$50,000—6% of the present premium total—by better housekeeping in the buildings," according to Ralph M. Finchum, superintendent of schools of Clinton, Tenn., who made a study of school insurance for a graduate thesis at University of Tennessee. He found that coverage averages only 40% of replacement value for the structures and 20% for equipment and contents.

Women See Tornado Films

San Antonio (Tex.), Insurance Women viewed film showing the form a tornado takes and the tornado damage at San Angelo and Waco. They were shown by A. R. Marlow, Adjustment Bureau, Dallas.

Hutchinson Board Elects

Hutchinson (Kan.) Insurance Board has named John Kline president; Joe McGuire, vice-president, and Willard Hankins, Earl Bressler agency, secretary.

\$11½ Million Balto. Bond

Fidelity & Deposit is the originating company on a surety bond for \$11,590,000 covering construction of the Ashburton Filtration Plant B. This is believed to be the largest single contract ever awarded by the city of Baltimore.

Equity General, a member of the American-Equity group, has been licensed in New York, and is now licensed in 18 states. This is believed to be the first Florida domiciled company to be licensed in New York.

Bob Herigers, Nashville local agent, made a "hole-in-one" on the McCabe Field golf course. He is also a state boxing and wrestling official.

The William P. Schroeder agency at Boone, Ia., has been sold to the Philip S. Steitzer agency there.

ACCIDENT

Ind. Turns Down A. & H. Gas Sales Tie-in

The Indiana department has turned down the plan of Tebco, Inc., of Palo Alto, Cal., to give a four-month \$500 auto accident policy to buyers of 150 gallons of gasoline. This plan, which has had success in California, is also reported to be approved in Idaho and Nebraska, and it is filed in Florida, Oregon and Washington.

The motorist fills out an application from the independent filling station owner, mailing the application to Tebco and keeping a punch card as his receipt. The card is punched as the motorist buys gasoline and after his 150th gallon he gets a policy. There is a premium payment of \$1.25. The idea is that after four more months have expired the insured will have bought another 150 gallons of gasoline so that he will get another policy.

The policy provides coverage for hospital and medical expenses up to \$500 for accidents involving a car and truck, excluding motorcycles, speed contests or workmen's compensation coverage.

Makes Over-65 Accident Study

American Mutual Liability's Institute for Safer Living has completed a study on what can be done to protect older persons against the rising tide of home and public accidents. Among other things, the study shows that a high percentage of accidents, principally around the home, involving per-

sons over 65 result in death or permanent crippling injury for more than 300,000 annually. Falls account for more than 75% of these mishaps. The institute listed some of the more important measures that can be taken to safeguard the "oldsters".

Five Speakers Named for Bureau Meeting Oct. 6-8

Five speakers have been announced for the annual meeting of Bureau of A. & H. Underwriters. The convention is scheduled for the Seignior Club, near Montreal, Oct. 6-8.

George Lafrance, Quebec superintendent, will be the opening speaker, and other talks will be given by Stefan Hansen, director of group insurance for Great-West Life, on "The Evolving Concept of Financing Medical Care;" Carman A. Naylor, associate group actuary of London Life, on "The Problems in Writing Group Coverages on Retired Employees;" Earl MacRae, actuary of Occidental Life of California, on "What Price Complexity?" and E. Reginald Brock of Great-West Life, on "Are 'Frills' of Real Advantage to the Industry?"

Harry L. Graham of Bankers Life of Iowa is chairman of the program committee.

Marks 50th Birthday

National A. & H. of Philadelphia is this month celebrating its 50th anniversary. The president is Thorn W. Mock, who has been with the company for about 30 years. National A. & H. recently has gone into the life field, and now has nearly \$3 million in force. Its premium income in the last two years has increased more than \$500,000. Present capital is \$400,000, surplus to

policyholders \$1,630,000. The company is now licensed in 19 states and District of Columbia and has a field force of 700 agents.

Heggie To Open Annual Schedule at Cincinnati

Cincinnati Assn. of A. & H. Underwriters will open its 1953-54 term of activities with a luncheon meeting Sept. 11. Samuel S. Heggie, Monarch Life, will be the speaker. He will talk on "The How and Why of A. & H. Selling."

Steiger Joins Mass. Cas.

William S. Steiger, who for some time has been general agent at Cleveland for Massachusetts Indemnity, has joined Massachusetts Casualty as agency director. He will operate the regional office at Cleveland in the Union Commerce building and have charge of disability and life production in Ohio.

Mr. Steiger is immediate past president of Cleveland Assn. of A. & H. Underwriters and is currently vice-president of the Ohio association. He has given a number of talks on A. & H. selling and has taught an A. & H. course at Fenn college.

Kansas Association Elects

New officers of Kansas Assn. of A. & H. Underwriters are F. L. Robertson, Pacific Mutual, president; Tom H. Lauck, National Fidelity, vice-president; James Robertson, Business Men's Assurance, secretary, and Dallas C. Endsley, Security Life & Accident, treasurer, all of Wichita.

New Bureau Member

Employers Casualty of Dallas has joined Bureau of A. & H. Underwriters, becoming the seventh company to associate with that organization since Jan. 1, 1953.

Convention Dates

- Aug. 30-31, Oregon Agents, annual, Multnomah, hotel, Portland.
- Sept. 2-4, Washington Agents, annual, Olympic hotel, Seattle.
- Sept. 9-11, Maine Agents, annual, Samoset hotel, Rockland.
- Sept. 11-12, New Mexico Agents, annual, La Fonda hotel, Santa Fe.
- Sept. 13-15, Insurance Advertising Conference, annual, Sky Top Lodge, Poconos, Pa.
- Sept. 13-15, Pennsylvania Assn. of Insurance Agents annual, Bedford Springs, Pa.
- Sept. 13-14, Vermont Agents, annual, Lake Morey Inn, Fairlee.
- Sept. 14-15, Michigan Agents, annual, Grand hotel, Mackinac Island.
- Sept. 14-15, Texas Assn. of Mutual Fire & Storm Insurance Companies, annual, Driskill hotel, Austin.
- Sept. 14-15, Utah Agents, annual, Newhouse hotel, Salt Lake City.
- Sept. 14-16, South Dakota Agents, annual, Alonzo Ward hotel, Aberdeen, S. D.
- Sept. 14-16, International Claim Assn., annual, Sagamore, Bolton Landing, Lake George, N. Y.
- Sept. 14-16, Montana Agents, annual, Butte.
- Sept. 15-18, Society of C.P.C.U., annual meeting and seminar, Bellevue-Stratford hotel, Philadelphia.
- Sept. 16-18, Mutual Loss Research Bureau, Mutual Loss Managers' Conference, Edgewater Beach hotel, Chicago.
- Sept. 16-18, Ill. Assn. of Mutual Insurance Companies, annual, Pere Marquette hotel, Peoria.
- Sept. 17-18, Minnesota Agents, annual, Radisson hotel, Minneapolis.
- Sept. 18-19, Nevada Agents, annual, Las Vegas.
- Sept. 20-21, Insurance Federation of North Dakota, Fargo.
- Sept. 20-23, Idaho Agents, annual, Sun Valley Lodge, Sun Valley.
- Sept. 21-23, American Mutual Alliance, Insurance forum, Hotel Somerset, Boston.
- Sept. 22-23, New Hampshire Agents, annual, Wentworth hotel, Portsmouth.
- Sept. 23-25, New Jersey Agents, annual, Haddon Hall, Atlantic City.
- Sept. 24-25, South Carolina Agents, annual, Francis Marion hotel, Charleston.
- Sept. 28-Oct. 1, National Assn. of Insurance Agents, annual, Hotel Statler, Washington, D. C.
- Oct. 3-7, National Assn. of Casualty & Surety Executives, annual, The Greenbrier, White

- Sulphur Springs, W. Va.
- Oct. 5-8, Bureau of A. & H. Underwriters, annual, Seignior Club, Montebello, Can.
- Oct. 5-9, International Assn. of Industrial Accident Boards and Commissions, annual, Hotel Del Coronado, Coronado, Cal.
- Oct. 8-10, Colorado Insurers Assn., annual, Broadmoor hotel, Colorado Springs.
- Oct. 11-14, Federation of Mutual Fire Companies, annual, San Francisco.
- Oct. 11-15, Natl. Assn. of Mutual Insurance Companies, annual, San Francisco.
- Oct. 12-14, Ohio Agents, annual, Toledo, Secor hotel.
- Oct. 12-14, National Assn. of Mutual Insurance Agents, annual, La Salle hotel, Chicago.
- Oct. 14, Connecticut Agents, annual, Hotel Bond, Hartford.
- Oct. 14-16, Insurance Accountants Assn., annual conference and business show, Bellevue-Stratford hotel, Philadelphia.
- Oct. 18-20, Kansas Agents, annual, Broadview hotel, Wichita.
- Oct. 19, Rhode Island Agents, annual, Sheraton-Biltmore hotel, Providence.
- Oct. 19-21, Wisconsin Agents, annual, Schroeder hotel, Milwaukee.
- Oct. 19-21, S.E.U.A., semi-annual, Pinehurst, N. C.
- Oct. 19-21, Western Underwriters Assn., White Sulphur Springs, W. Va.
- Oct. 19-23, National Safety Congress and Exposition, National Safety Council, annual, Chicago.
- Oct. 20-21, Massachusetts Agents, annual, Sheraton Plaza hotel, Boston.
- Oct. 22-23, Tennessee Agents, annual, Patten hotel, Chattanooga.
- Oct. 25-27, Arizona Agents, annual, Westward-Ho hotel, Phoenix.
- Oct. 26-27, Missouri Agents, annual, Hotel President, Kansas City.
- Oct. 29-30, Nebraska Assn. of Insurance Agents, Hotel Fontenelle, Omaha.
- Nov. 2-4, California Agents, annual, Biltmore hotel, Los Angeles.
- Nov. 10-11, National Assn. of Independent Insurers, annual, Park Plaza and Chase hotels, St. Louis.
- Nov. 15-17, Kentucky Agents, annual, Brown hotel, Louisville.
- Nov. 16-17, Illinois Agents, annual, Pere Marquette hotel, Peoria.
- Nov. 16-18, Indiana Agents, annual, Claypool hotel, Indianapolis.
- Nov. 19, Casualty Actuarial Society, Hotel Biltmore, New York.
- Nov. 30-Dec. 4, N.A.I.C., midyear, Sans Souci hotel, Miami Beach, Fla.
- Dec. 16, Eastern Underwriters Assn., annual, Roosevelt hotel, New York City.

Named at Seattle

James A. Keck has been appointed A. & H. manager at Seattle for Continental Casualty. He is a war veteran and attended the University of Washington and Olympic college. He was with Federal Old Line Life at Bremerton and Seattle for three years.

Robert H. Stevenson, who has had adjusting experience with the Arthur E. Campbell-Husted Co. of Seattle, has joined Continental as an adjuster.

Miss. Commissioner Speaks

Commissioner Davis of Mississippi gave a talk at the luncheon meeting of the Laurel Rotary Club on fire insurance rates. Such rates in Mississippi are the lowest anywhere in the U.S., he said. He emphasized that it was not the insurance interests that sought enactment of the financial responsibility law. He said that an effort will be made for extensive amendment of the insurance laws at the next session of the legislature.

Forum for Customers

A program for the customers and friends of the Gillis, Hulse & Colcock agency of New Orleans is being held Sept. 8. One of the speakers will be Commissioner Martin of Louisiana.

Mo. Preventionists to Rally

Missouri Fire Prevention Assn. is making plans for its fall meeting at Jefferson City, Sept. 16. There is a full agenda for this gathering, with eight items of business to take up to be followed by a talk by James S. Siddall, National Union, association president.

T. J. Gallarone who has been claim manager at Syracuse for Standard Accident, has been transferred to New York City as assistant claim manager.

WANT ADS

Rates—\$18 per inch insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payments in advance.

THE NATIONAL UNDERWRITER

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We have openings in States west of the Mississippi for special agents in a fast growing Multiple Line Company. Write us, advising territory preferred, giving age, experience, etc.

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Cimarron, Kansas

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Staff adjuster wanted by Stock Fire Ins. Co. in Detroit District Office. If you are ambitious you should investigate this opportunity to become associated with one of the leading companies in this area. Prefer young man with 2 or 3 years' experience and now located in Wayne County. Good starting salary. Attractive retirement program and other company benefits. Address U-1, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Excellent opportunity in our home office for experienced automobile and liability underwriter. Please give age and details of experience in first letter.

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We are prepared to employ an additional graduate of a reputable law school to handle Fire and Extended Coverage, Subrogation, and Automobile Physical Damage claims in our office. Contact C. M. Montgomery, Secy.
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Leading multiple line group offers unusual opportunity for men experienced in adjusting fire and windstorm losses.

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15 years experience, Underwriting, Special Agent, State Agent. Also experienced in negotiating reinsurance contracts. Trained at Hartford, Connecticut, Home Office Casualty & Bond School. Capable of organizing and managing Branch Office Casualty operation. Age 41—Married. Address U-7, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GENERAL AGENCY WANTED

Casualty and Fire insurance Company General Agency wanted by Old established Agency in Denver, Colorado. Write box T-57, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INVESTMENT WANTED

Desire purchasing part interest or entire general insurance experience. At present managing large agency. Will furnish information upon request. Age 34. Will consider company connection. Reply U-4, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIELD

Phoenix of Hartford Makes Important Changes in Field

Charles L. Rossenow has been appointed Detroit manager of Phoenix of Hartford. He will handle Wayne and Monroe counties. He was formerly Indiana state agent. At Detroit he succeeds Assistant Secretary A. J. Mueller, who has been transferred to the head office.

In Indiana Richard N. Jennings and James A. Knight have been advanced from the ranks of special agent to state agent. Mr. Jennings will handle eastern Indiana and Mr. Knight western Indiana. They will continue to maintain headquarters in the Chamber of Commerce building, Indianapolis, along with State Agent E. H. Richardson, who will now be responsible for the Indianapolis area.

Harold F. Bennett, Jr., has been appointed special agent in western Missouri for Phoenix with headquarters at Kansas City. He is a veteran of the last war, is a graduate of Hillyer College and attended University of Connecticut college of insurance.

James S. Dissell has been appointed special agent in Ohio. He is a graduate of Williams, served with the marines in the last war and was recalled to active duty for one year in 1950. He has had considerable experience at the Phoenix head office.

Ready Plans for Fall Rally of Ohio Field Men

CINCINNATI—Plans are rapidly nearing completion for the Ohio field men's fall meeting and outing here Sept. 14-15. Cincinnati Fire Underwriters Assn. trophy will be awarded at the golf tournament on Sept. 15. T. W. Earls, Earls-Blain agency, is in charge of golf arrangements. J. C. Rielage, Frederick Rauh & Co. agency, Cincinnati, and Max B. Elder, Burrell agency, Delaware, are the two baseball captains.

The executive committees of Ohio Fire Underwriters Assn. and Ohio Fire Prevention Assn. will meet on Sept. 14, followed that evening by the Blue Goose business meeting and initiation. The regular monthly meeting of Ohio Fire Underwriters Assn. will be held the morning of Sept. 15, followed by the outing at Summit Hills Country Club, Ft. Mitchell, Ky. Lunch and dinner will be served at the club.

Inspection Benefits Told

Wayne Rogers, San Antonio, special agent of Commercial Union, representing Alamo Field Club, spoke to a group at Eagle Pass including the city council, Kiwanis and Lions clubs and the Junior Chamber of Commerce on methods of conducting a town inspection and the benefits to the town inspected.

Teeter to N. Y. Underwriters

G. M. Teeter has joined New York Underwriters as special agent in western Washington with headquarters at Seattle. After serving in the army he graduated from the University of Washington and has been in the insurance business since then.

Harry B. Brown Retires

Harry B. Brown, veteran Kansas state agent of Northwestern National, has retired as of Sept. 1 and will be succeeded by his assistant, Walter

Besore, who will establish state headquarters at Newton. Mr. Brown has served as president of Kansas Fire Prevention Assn. and the Western Insurance Bureau Field Club, and as an officer of Sunflower Blue Goose puddle at Wichita. Mr. Besore is immediate past big toad of the Sunflower puddle.

National Makes Ill., Wis. Changes

William R. Martin and Michael R. May have been appointed special agents for Illinois by National of Hartford. At the same time William J. Wert has been transferred from northern Illinois to Wisconsin to handle the territory formerly handled by E. L. Graf, who has resigned.

Mr. Martin will make his headquarters at the Springfield office. He is a graduate of the property insurance course of Illinois Institute of Technology and has had field experience in another state with another company. He takes over the territory of Robert Hedlund in south central Illinois. Mr. Hedlund having been transferred to Tennessee.

Mr. May saw navy service in the war and then went into the insurance business and joined National last year in the Illinois underwriting field. He takes over the northern Illinois territory of Mr. Wert and his headquarters are at Rockford.

Mr. Wert joined National in 1941 and after serving in the army during the war returned to National and after experience as examiner in the fire underwriting and inland marine departments became supervisor of the Cook county service department and then went into the northern Illinois field in 1951. His new headquarters are at Milwaukee.

Coursey Joins N. W. Mutual

Hugh W. Coursey has been appointed special agent for Northwestern Mutual Fire for northern and central Georgia and Tennessee, with headquarters at Atlanta.

Following attendance at University of Georgia, he joined Crum & Forster at Atlanta. After air corps service he returned to Atlanta and since 1949 has been with the group in Texas.

C. L. Bent to Aetna in Ohio

Charles L. Bent has joined Aetna as special agent at Columbus, O. He takes the place of Joseph R. Jones, Jr., who resigned to enter the local agency business at Columbus. Mr. Bent is a navy veteran of the last war and is a graduate of Tufts. He has had special agency experience elsewhere.

D. D. Sewell Joins National

David D. Sewell has been appointed special agent at Seattle for National of Hartford. He served in the marines and then was in the insurance business in the mid west. More recently he has been in the local agency business in Colorado.

Frazier Goes With Security

Charles B. Frazier, more recently a local agent at Topeka and for nine years with Aetna Fire, six years of that time in the Kansas field, has been named Kansas state agent of Security of New Haven under Kansas Manager E. P. Janousek at Wichita. Mr. Frazier served as president of Kansas State Fire Prevention Assn. last year.

Paul E. Buehler of Beacon Mutual Indemnity will address a dinner meeting Sept. 8 of Ohio 1752 Club at Columbus.

STOCKS

135 So. La Salle St., Chicago, Aug. 25, 1953
By H. W. Cornelius, Bacon, Whipple & Co.

Aetna Casualty	3.00*	115	117
Aetna Fire	2.40	54½	56
Aetna Life	2.50*	77½	79
Agricultural	1.60	30½	32
American Alliance	1.60	32½	33½
American Equitable	1.50	31	32
American Auto	2.00	45½	47
American, (N. J.)	1.10	25½	26½
American Motorists	.40	13	14
American Surety	3.00	59	61
Boston	1.40	32½	34
Camden Fire	1.10*	22½	23½
Continental Casualty	2.50*	87	89
Crum & Forster Com.	1.60	46½	48
Federal	.60	24½	25½
Fire Association	3.00	66½	68
Fireman's Fund	1.60	58½	60
Firemen's (N. J.)	.90	26½	27½
General Reinsurance	1.60	38	39½
Glens Falls	2.00	59	61
Globe & Republic	.80	16	17
Great American Fire	1.60	36	37½
Hartford Fire	3.00	159	163
Hanover Fire	1.80	38	40
Home (N. Y.)	2.00	39½	40½
Ins. Co. of No. America	2.25*	87	89
Maryland Casualty	1.20	26	27
Mass. Bonding	.28	22½	23½
National Casualty	1.50*	28	Bid
National Fire	2.60	66½	68
National Union	2.00	40½	42
New Amsterdam Cas.	1.50	44½	46
New Hampshire	2.00	42½	44
North River	1.20	27	28
Ohio Casualty	1.55*	62	65
Phoenix, Conn.	3.40	97	99
Prov. Wash.	1.50*	28½	30
St. Paul F. & M.	.90*	31½	33
Security, Conn.	1.70*	33	34½
Springfield F. & M.	2.00	46	48
Standard Accident	1.60	44½	46
Travelers	14.00*	730	740
U. S. F. & G.	2.00	65	67
U. S. Fire	1.50*	38½	40

*Includes extras.

Booth at Iowa State Fair

The Iowa Fire Underwriters Assn. farm public relations committee and Iowa Assn. of Insurance Agents are sponsoring a display booth at the Iowa state fair at Des Moines for the first time, to publicize farm safety equipment, rural fire protection and kindred subjects with a view of obtaining lower rural rates. During the fair local agents and farm fire special agents will be on duty at the booth to show motion pictures and pass out information.

When the fair closes on Labor Day, the booth will be moved to the Clay county fair at Spencer and later to the National Dairy Cattle Congress at Waterloo.

Thuesen Montana President

Peter G. Thuesen of Farmers Mutual Fire at Dagmar was elected president of Montana Assn. of Mutual Fire Insurance Companies at the convention at Lewistown. Peter Bokma of Montana Farmers Mutual Tornado & Cyclone of Conrad is vice-president and E. A. Erickson of Farm Bureau Mutual Rural of Bozeman is secretary. One of the speakers was George W. Gustafson, state coordinator for rural volunteer fire fighting services.

Carasik to Join Diamond

Howard H. Carasik, Ocean Accident agency supervisor at Chicago, has resigned effective Sept. 1 to join the Diamond agency, Jacksonville, Fla. He has been with Ocean four years, two years as a special agent for New England, the other two in his present position. Before that he had three years agency experience with the Diamond agency and 1½ years with the Baltimore agency. A C.P.C.U., he is an army veteran.

Neb. Deputy Fire Marshal

L. S. Crain of Lincoln has been named deputy state fire marshal in charge of electrical inspection by Gov. Crosby of Nebraska. He has been with Rural Electric Assn. for seven years, and is now in charge of inspections.

Home State Salutes Pat Murphy

The insurance industry of South

Carolina is holding a testimonial dinner honoring D. D. Murphy, upon his election as president of National Assn. of Insurance Commissioners. This will be at the Wade Hampton hotel, Columbia, Aug. 28. This will be preceded by cocktails. H. Pierce North, manager of South Carolina Assn. of Insurance Agents, is chairman of the dinner committee.

Church Loss at Cleveland

Insurance loss will be considerably lower than the actual damage from the fire which nearly destroyed Hough Avenue Baptist Church at Cleveland. The city fire department put the loss at \$250,000, while the church's chairman estimated the damage at \$500,000.

Insurance on the building and contents totaled \$110,000, though it was so low to value the coinsurance clause will become operative.

Apparently the fire started from a short circuit to an organ. Firemen were forced to direct water through windows because the masonry walls and slate roof confined the fire and made the heat unbearable.

Cook Up Reciprocal Deal

National Assn. of Radio & Television Broadcasters is sponsoring what is called a uniform tower insurance policy and member stations have been questioned on the terms of declaration dates of their present insurance. This was worked up by the insurance committee of N.A.R.T.B. that worked in conjunction with the Washington, D. C., brokerage firm of Hufty, Eubank & Russell.

Gets 10,000th Suggestion

American Surety has received its 10,000th suggestion in the president's suggestion program. This program, which includes all members of the staff, was begun by President A. F. Lafrentz 11 years ago.

Recently a two months' special campaign was concluded when 601 suggestions were presented to President Lafrentz in observance of his 40th anniversary. Two branch offices and three home office departments achieved 100% participation in the campaign.

Of the total number of suggestions submitted, one-third are adopted and put into practical use.

Mo. Group at 900 Mark

Missouri Assn. of Insurance Agents has enrolled its 900th member and one of the principals of the agency is being invited to attend the convention of M.A.I.A. at the Hotel President, Kansas City, Oct. 25-27 as guest of the association. The 900th member is Simmons agency at Potosi. This is a partnership of Howard Simmons and Oran Whitehead. Membership chairman is James Spellman of Kansas City.

Hemispheric Book Out

WASHINGTON—Hemispheric Insurance Conference is publishing a book "The Economics of Private Insurance—Some Problems and Outlook for the Insurance Institutions of the Americas". Author is Jorge Bande, general manager of Chilean Consolada Ins. and professor of insurance at University of Chile.

The U. S. Chamber of Commerce has released a summary of celebrations of Hemispheric Insurance Day, or Day of American Insurance, May 14, 1953, in Brazil, Cuba, Chile, Ecuador, Guatemala, Nicaragua, Uruguay, Venezuela and United States.

Miss Antonia Stefania, a veteran employe of the Michigan department, is retiring Sept. 9. She has been secretary to successive commissioners since 1921.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

Wyoming Agents Name Jackson as President

CHEYENNE—At the annual meeting of Wyoming Assn. of Insurance Agents, with more than 200 in attendance, E. G. Jackson, Laramie, was elected president; R. H. Whitfield, Rottington, 1st vice-president; Emile Zebre, Kemmerer, 2nd vice-president; H. J. Clare, Jr., secretary; Guy W. Engle, state national director. Messrs Clare and Engle were reelected.

E. J. Seymour, Monroe, La., vice-president of N.A.I.A., addressed several sessions. Sheridan was selected for next year's convention.

Eastern Agents Conference Meeting Set

Preston H. Hadley of Bellows Falls, Vt., chairman of Eastern Agents Conference, has appointed Frederick J. England of Cambridge, a past president of the Massachusetts association, general chairman for the E.A.C. meeting, which will be held at Boston April 4-6.

U.S. Life Offers New Combination Plan

U. S. Life has announced a new life and A. & H. combination, the "ideal protection plan," a typical example of which pays \$200 a month for total disability resulting from accidental injury or confining sickness, starting with first day and continuing as long as insured is disabled, even for life. For natural death, it pays \$2,000 if insured dies in the first 10 years, increasing 10% annually after the 10th year to \$4,000 in the 20th year. The double endowment feature at the end of 20 years pays \$4,000 in cash. For accidental death, this combination pays \$6,000, with an annual increase of \$200 if death occurs after 10 years. During the 20th year, as much as \$8,000 would be payable for accidental death. It is available from 18 to 55 and a special plan is offered up to age 70.

Marquette Casualty Executive Changes

Wood E. Hankins has joined Marquette Casualty of New Orleans as 1st vice-president and executive assistant. He was formerly secretary of the American Equity group of Miami. He is a graduate of University of Cincinnati and has been in the insurance business 26 years.

Verne M. Herbruck has been appointed assistant secretary in charge of fire underwriting. He has been with Marquette since 1951 and formerly was with Buckeye Union Fire.

Excess Moving to Chicago; Pier Resigns

Excess of America, the casualty reinsurer that is a member of the Kemper group, announces that its executive offices are being moved from New York to Chicago immediately. M. J. Pier has resigned as executive vice-president. It is understood that Mr. Pier is going with Wyllie Clark of U. S. & Foreign Insurance Management, the reinsurance brokerage firm.

• Vernon H. Francis has joined American at Detroit as staff adjuster. He has been in the adjusting business since 1946 and attended Detroit Institute of Technology.

• N.A.U.A. has made effective rate revisions in Maine, Massachusetts and New Hampshire. In Massachusetts the change has resulted in an estimated annual increase of \$124,000, in Maine a reduction of \$17,000, and in New Hampshire a decrease of \$99,000.

Steady Increase Reported in A. & H. Policies in U. S.

J. Henry Smith, vice-president and associate actuary of Equitable Society, has declared that hospital, surgical and medical coverages are continually broadening and the number of such policies is rapidly increasing.

Since 1941 the number in the U. S. covered by hospital plans has increased almost six times and those covered by surgical plans, nine times, he said. Total payments of A. & H. premiums are more than double those of five years ago, he added.

Between 1947 and last year, the number covered by the company in one or more of such plans has increased 90%. The company now has more than 11,000 medical expense policies in force.

Hot Rod Plan Is a Feeler

National Hot Rod Assn. at 5959 Hollywood boulevard, Los Angeles, is sending out a form postal card reply to inquiries about its plan for providing members with insurance on favorable terms. There was an extensive article on this in the Hot Rod magazine. The form reply states that the successful foundation of this program lies in the volume of bona fide interest it draws. "Hence our reason in sending out the advance feeler. When enough replies have been received to

warrant the announcement of the Hot Rod insurance plan, we shall send you the details."

Would Enter Life Insurance

Independence Ins. Co. of Los Angeles, which now writes disability only, is planning to enter life insurance and in order to obtain sufficient capital and surplus has asked the California department for permission to sell 600 additional shares of \$10 par value stock for \$20, declare a stock dividend of 7,500 shares and sell that stock. It now has capital of \$100,000 and surplus of a like amount.

New Coast Earthquake Rate

LOS ANGELES—While Pacific Fire Rating Bureau's new first loss earthquake rules and regulations will not be published in manual form, a cross section of annual building rates in zone 1 (Los Angeles county), all carrying the same mandatory deductible of ½%, or \$1,000 whichever is greater, and a 5% coinsurance factor, indicates the following picture: Class 2, with a .25 basic assumption produces a primary earthquake rate of \$2.83; class 3 with a .30 basic, a primary rate of \$3.13; class 5 with a .35 basic, \$3.75; class 6, with .40 basic, \$4.38, and class 7 with basic assumption rates varying between .40 and .75 yields a primary rate of from \$4.38 to \$6.40.

The three-year rate is computed on

the basis of 2½ to 1 and the term limited to three years.

Comparatively, London rates carrying a mandatory 5% deductible and 5% coinsurance produce a three-year rate of \$10 in class 2, Los Angeles county \$11 in class 3; \$13 in class 5 and \$15 in class 6. London does not schedule class 7 and rates must be obtained in the open market.

Omnibus Clause Doesn't Cover Drunken Nephew of Wife of Insured's Officer

The Ohio supreme court has given a decision for Employers Liability by application of the rule that the permittee of the named insured, in the absence of express or implied authority of the named insured cannot effectively permit a fourth person to operate the vehicle so as to bring such person within the protection of the policy. The case is West vs. McNamara, Employers Liability, 2 CCH (Automobile) 110.

The named insured was H. F. Hammon Development Co. of Florida.

Wallace A. Robinson, one of the owners of the company and Mrs. Robinson, drove to Cleveland in the company car that was involved in this case. Robinson went on to New York on personal business and left the automobile in the custody of his wife. On June 11, 1938, she and her nephew, Paul McNamara, went to a picnic and did a lot of drinking. There is testimony that McNamara went off with a man called "Mop Top" and while McNamara was driving the car there was an accident in which Gerald West was injured. McNamara was subsequently found guilty of reckless driving.

The court said there is not the remotest showing that H. F. Hammon Development Co. ever gave permission to McNamara to use the automobile or ever knew that he had driven or would drive it. It is not likely that it was within the contemplation of the named insured that the permittee of its permittee would authorize the driving of the car by a person who was intoxicated, drank heavily at times and had been in other accidents. Particularly would this be so in reference to the driving of the car without either the original permittee or his permittee being present therein and having no direction or control over its operation.

Compulsory Study Unit Meets

The California senate interim committee on vehicles and aircraft that is studying compulsory automobile insurance held its first meeting this week at Santa Barbara. Among those on the committee are Senator James McBride, an agent of Ventura. Officers of several southern California automobile writers were on hand at the committee meeting, which was an open session devoted entirely to organizational purposes.

Woman Agent Charged with Fraud

Mrs. Blanche E. Holihan, Flint, Mich. local agent, has been charged with obtaining money under false pretenses and embezzlement. One of Mrs. Holihan's clients charged that he paid her \$153.75 on a \$13,500 policy on his home and its contents, which was accepted and deposited to her own account after the insurer had canceled her license and instructed her to collect no more money in its behalf.

When a fire loss of \$1,000 occurred on the property, insured attempted to obtain a settlement of his claim. He had received a notice of cancellation from the company for alleged nonpayment of premium but had been assured, he said, by Mrs. Holihan that he should "not worry about it".

Charles T. Nichols, Springfield state agent at Great Bend, Kan., has recovered from an illness which confined him to a hospital there.

Fire, Casualty "Ads" Listed for September

Following is the national advertising which fire and casualty companies have reported for September issues of the publications listed. Where no date is indicated the publication is a monthly.

Aetna Fire—Newsweek, Sept. 14; Pathfinder, Sept. 9; Time, Sept. 7; U. S. News & World Report, Sept. 25.

America Fore—Country Gentleman; Fortune; National Geographic; Successful Farming.

American Foreign Insurance Assn.—Time, Latin America and Pacific.

American Credit Indemnity—Dun's Review & Modern Industry.

American Mutual Liability—Business Week, Sept. 26; Newsweek, Sept. 28; Time, Sept. 21.

Boston Insurance Co.—Christian Science Monitor, Sept. 2, 16, 30.

Central Mutual—Saturday Evening Post, Sept. 12.

Employers Group—Time, Sept. 28. Great American—Saturday Evening Post, Sept. 19.

Hardware Mutuals—Business Week, Sept. 5; Nation's Business; Newsweek, Sept. 21; Saturday Evening Post, Sept. 12; Time, Sept. 7.

Hartford Accident—Farm Journal; Life, Sept. 21; Nation's Business; Newsweek, Sept. 28; Pathfinder; Saturday Evening Post, Sept. 19; Time, Sept. 14.

Hartford Fire—Better Homes & Gardens; Business Week, Sept. 19; National Geographic; Nation's Business.

Home—Better Homes & Gardens; Business Week, Sept. 26; Pathfinder; Saturday Evening Post, Sept. 26; Successful Farming; U. S. News & World Report, Sept. 25.

Maryland Casualty—Saturday Evening Post, Sept. 26.

National Board of Fire Underwriters—Better Homes & Gardens; Farm Journal; Look, Sept. 22; Saturday Evening Post, Sept. 19; This Week, Sept. 27.

National Surety Corp.—U. S. News & World Report, Sept. 18.

North America—Nation's Business; Newsweek, Sept. 17; Saturday Evening Post, Sept. 19.

Phoenix Connecticut Group—Nation's Business; Pathfinder.

State Farm—California Farmer, Sept. 19; Collier's, Sept. 12; Pathfinder; Progressive Farmer; Saturday Evening Post, Sept. 19; Successful Farming.

Easton & Quick Line Canceled

The Muskegon county (Mich.) board of supervisors insurance committee has canceled \$47,000 coverage on county buildings which had been placed with the Easton & Quick agency.

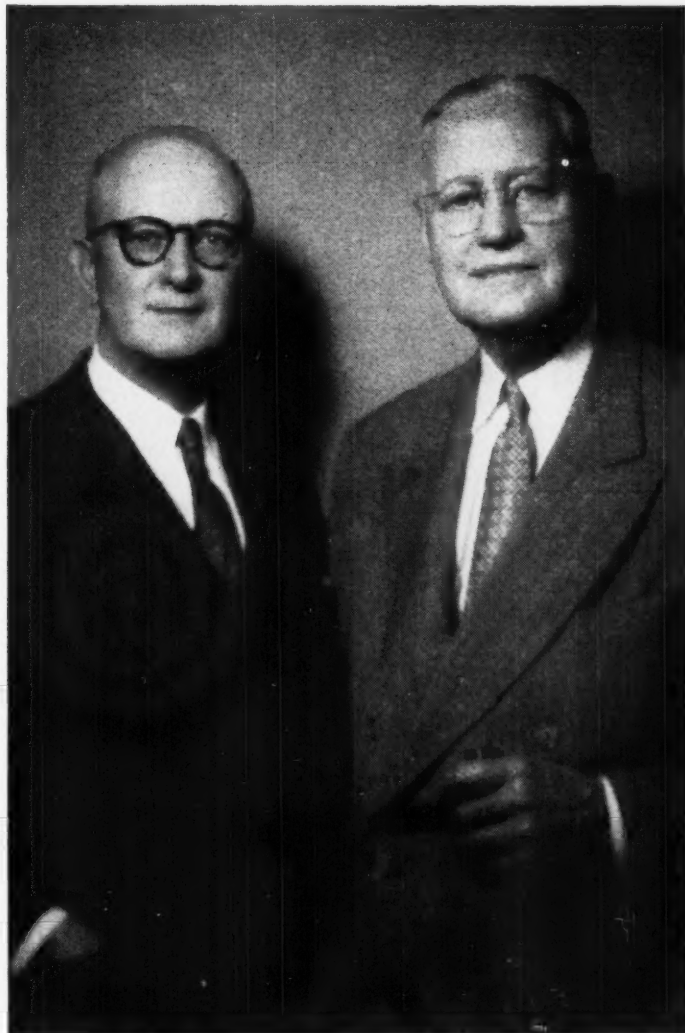
The action was prompted by a ruling that placing of the business with that agency violated state law inasmuch as Edwin J. Quick, partner in the agency, was a member of the board at the time. He resigned from the board May 30 but the law, it was noted, provides that no business shall be transacted by the county with a former supervisor for a year after he leaves the board.

Rover Guarantee Assistant

Walter A. Rover has been named assistant to J. R. Deering, president of Guarantee of Los Angeles. Mr. Rover has been northern California manager of Founders of Los Angeles. He began his insurance career in 1923.

W. Rae Dempsey, Jr., who was appointed collector of customs at Baltimore, in private life is vice-president and general manager of the local agency that is headed by his father at Baltimore.

'Ag' stands for Agents



Andrew S. Nelson
Senior Partner
Kaler, Carney, Liffler & Co.
Boston, Mass.
'Ag' agent since August, 1892

Lloyd Vosseller
President
W. L. Perrin & Son, Inc.
New York City
'Ag' agent since July, 1892

Listen to them

Every now and then there's some good-natured rivalry when these two gentlemen get together. Just recently it came up again when Andrew said to Lloyd:

"All right . . . so the Perrin Office is a month older than Kaler, Carney, Liffler as an Ag representative. But I've got the edge on you personally by five years because I joined them in 1897."

"Okay," replied Lloyd, "I won't argue about those five years. What I get the big thrill out of is that both our offices have had more than sixty years of the finest relationship with the Agricultural that could ever exist between any company and any agency."

"Brother, you can say that again," answered Andrew. "And we both know there are plenty of other long-time agents who have learned how helpful the Ag is all along the line . . . whether it's production, or underwriting, or loss adjustment."

Fifty per cent of all Ag agents point to 15 years or more with us! If you'd like to learn more about us . . . we're easy to write to.

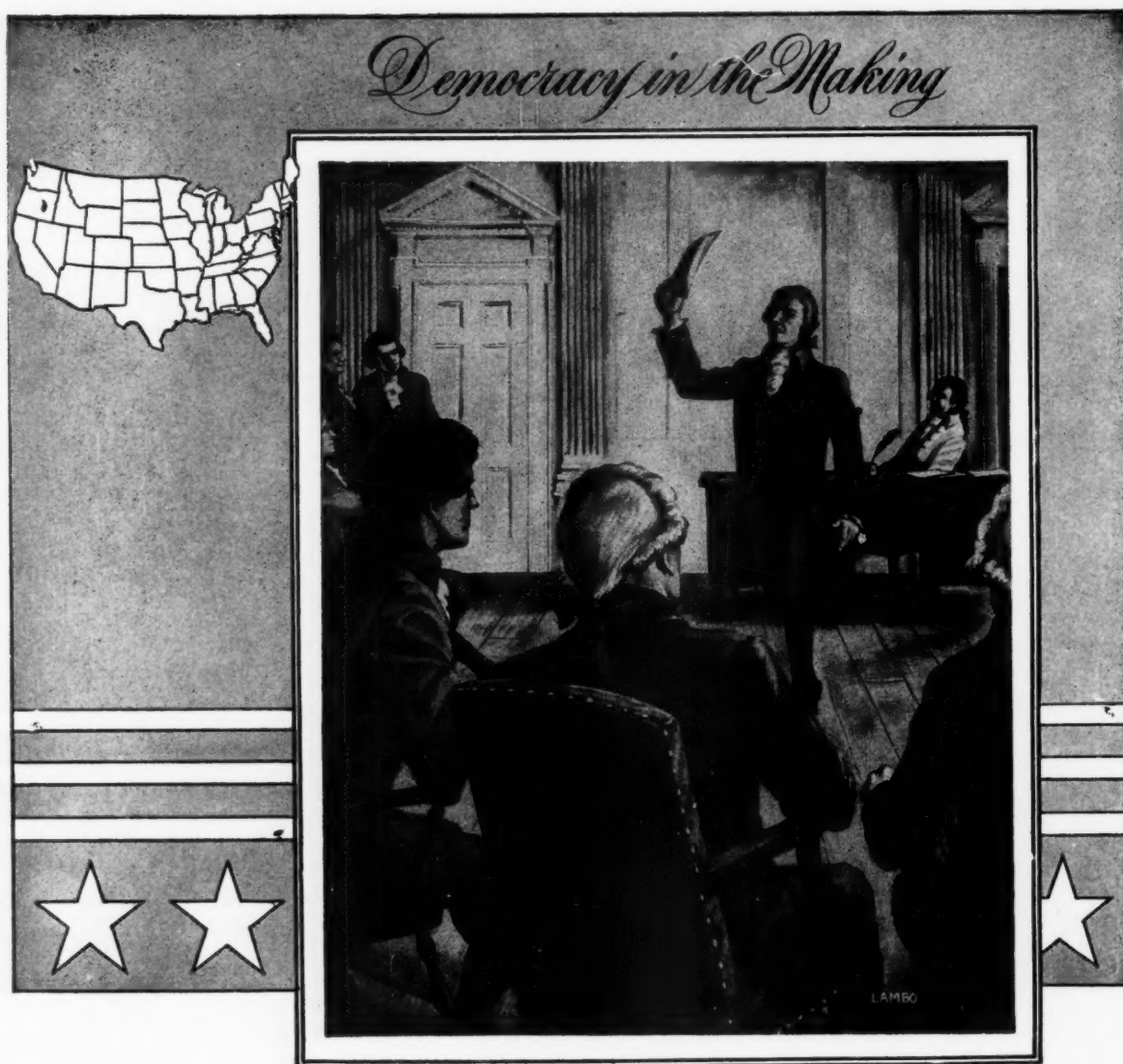


Agricultural
Insurance Company
of America, Inc.

Friendly
Folks

Empire State
Insurance Company
of New York, Inc.





ALEXANDER HAMILTON'S GOAL as the country's first Secretary of the Treasury was to rescue America's finances from the bankruptcy into which they had plunged. His initial success was to persuade Congress to pay each bond at face value. This decision established the financial integrity of the United States and encouraged the acceptance of subsequent bonds

at face value. Thus, honesty became the cornerstone of American prosperity.

Our sincere endeavor to adhere to the principles of democracy, which are exemplified in the American Agency System, has gained the respect and confidence of the agents of America. These are cherished assets.



CRUM & FORSTER

MANAGER



110 WILLIAM STREET • NEW YORK 38, NEW YORK

UNITED STATES FIRE INSURANCE CO.	Organized 1824	THE WESTERN ASSURANCE CO., U. S. Branch	Incorporated 1851
THE NORTH RIVER INSURANCE CO.	Organized 1822	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	SOUTHERN FIRE INSURANCE CO., Durham, N. C.	Incorporated 1923

WESTERN DEPT. FREEPORT ILL. PACIFIC DEPT. SAN FRANCISCO SOUTHERN DEPT. ATLANTA ALLEGHENY DEPT. PITTSBURGH VIRGINIA CAROLINAS DEPT. DURHAM N. C.